

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MARCH 2, 1933



## FIRE ASSOCIATION OF PHILADELPHIA

401 Walnut Street—Philadelphia

(Established 1817)

### FINANCIAL STATEMENT—December 31st, 1932

#### ASSETS

Bonds and Stocks*	\$15,400,561.89
Mortgage Loans .....	2,674,801.10
Real Estate .....	282,398.62
Cash in Banks and Office..	1,288,860.58
Premiums in Course of Col- lection .....	1,126,672.87
Other Assets .....	346,644.32
 <b>Total Admitted Assets....</b>	<b>\$21,119,939.38</b>

\*Valuations specified by National Convention of Insurance Commissioners. Contingency Reserve, set forth above, covers the difference between these valuations and actual market values on December 31st, 1932.

#### LIABILITIES

Premium Reserve .....	\$ 9,177,513.67
Losses in Process of Adjust- ment .....	1,337,093.00
Other Liabilities .....	508,491.87
Contingency Reserve*.....	4,474,887.37
 <b>Total Liabilities .....</b>	<b>\$15,497,985.91</b>
Capital ....	\$2,000,000.00
Surplus ....	3,621,953.47
 <b>Policyholders' Surplus ....</b>	<b>5,621,953.47</b>
 <b>\$21,119,939.38</b>	

#### OFFICERS

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*Fire and Marine Insurance in All Branches*

# "DON'T WORRY!"



**If your locket isn't recovered our  
Burglary Insurance will buy you  
a new one."**



# Your clients need Residence Burglary Insurance Protection Now

# THE TRAVELERS

The Travelers Insurance Company

The Travelers Indemnity Company

The Travelers Fire Insurance Company

CONNECTICUT

**THE NATIONAL UNDERWRITER.** Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-seventh year. No. 9. Thursday, March 2, 1933. \$4.00 a year, 20 cents per copy. Entered as second-class matter, April 25, 1931, at postoffice at Chicago, Illinois, under act of March 3, 1879.

114TH ANNUAL STATEMENT  
OF THE  
**ÆTNA INSURANCE COMPANY**  
HARTFORD, CONNECTICUT

December 31, 1932

RALPH B. IVES, PRESIDENT



*Capital Stock, \$7,500,000*

ASSETS . . . . .	\$49,686,423.63
LIABILITIES (except capital)	\$27,883,124.42
POLICY-HOLDERS' SURPLUS	\$21,803,299.21

*Assets*

Bonds and Stocks, . . . . .	\$44,157,057.05
Real Estate, . . . . .	1,035,000.00
Cash on Hand and in Bank, . . . . .	1,821,938.05
Premiums in Course of Collection, . . . . .	2,419,879.18
Interest and Dividends Accrued, . . . . .	166,372.77
Other Admitted Assets, . . . . .	86,176.58
Total Assets, . . . . .	<u>\$49,686,423.63</u>

*Liabilities*

Unearned Premiums, . . . . .	\$18,460,826.18
Losses in Process of Adjustment, . . . . .	2,409,245.24
Reserve for Dividends, . . . . .	375,000.00
Reserve for Taxes and Expenses, . . . . .	745,000.00
Contingency Reserves, . . . . .	5,893,053.00
Capital, . . . . .	7,500,000.00
Net Surplus, . . . . .	<u>14,303,299.21</u>
Aggregate, including Capital and Surplus, . . . . .	\$49,686,423.63

PAID TO POLICYHOLDERS SINCE ORGANIZATION - \$356,401,300.83

# HARTFORD ACCIDENT AND INDEMNITY COMPANY

*All forms of Casualty Insurance and Fidelity and Surety Bonds*

**FINANCIAL STATEMENT, DECEMBER 31, 1932**

## ASSETS

*A well-managed insurance company always has ample reserves in cash and securities to pay its liabilities. The Hartford Accident and Indemnity Company has:*

BONDS.....	\$24,094,911.00
United States Government, State, County, Municipal, Railroad and the bonds of other corporations.	
STOCKS.....	9,140,292.13
Of banks, public utility companies and other corporations of high standing.	
REAL ESTATE, MORTGAGES, ETC.....	579,000.41
Real Estate owned by the Company and loans secured by first mortgages.	
CASH IN OFFICES AND BANKS.....	3,862,666.14
An asset that is immediately available.	
PREMIUMS IN COURSE OF COLLECTION.....	6,111,169.35
Money due from agents and policyholders on policies issued within the past ninety days.	
INTEREST ACCRUED.....	332,040.48
Interest earned on all bonds to date but not yet due to be paid.	
SUNDRY ASSETS.....	436,531.08
Various assets amply secured.	
<i>Total Admitted Assets.....</i>	<i><u>\$44,556,610.59</u></i>

## LIABILITIES

To meet present obligations we are prepared to pay:

FOR THE SETTLEMENT OF CLAIMS AND SUITS.....	\$17,772,112.00
A liberal estimate is made of the amount that will be required to pay each individual claim as it is reported and this sum represents the total of these estimates.	
FOR UNEARNED PREMIUMS.....	11,942,085.66
This sum is reserved to provide for return premiums on policies which may be terminated after this date and for future losses on policies in force.	
FOR COMMISSIONS.....	1,226,847.43
These commissions are due to agents on uncollected premiums when the premiums shall have been remitted to the Company.	
FOR TAXES.....	614,420.00
Payable in 1933 for State Tax on premiums, and any other taxes that may be due.	
FOR SUNDRY BILLS.....	100,000.00
Office expenses for which bills were not rendered in time to be paid in December, 1932.	
<b>FOR CONTINGENCY RESERVE.....</b>	<b>4,000,000.00</b>
	<u>\$35,655,465.09</u>
<b>CAPITAL PAID IN.....</b>	<b>\$3,000,000.00</b>
<b>NET SURPLUS OVER ALL LIABILITIES.....</b>	<b>\$5,901,145.50</b>
	<u>\$8,901,145.50</u>
	<u><u>\$44,556,610.59</u></u>
<b>TOTAL CAPITAL AND SURPLUS - - -</b>	<b>\$8,901,145.50</b>

YEAR IN AND YEAR OUT YOU'LL DO WELL WITH

THE HARTFORD ACCIDENT AND INDEMNITY COMPANY

# The National Underwriter

Thirty-Seventh Year—No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MARCH 2, 1933

\$4.00 Per Year, 20 Cents a Copy

## Riot, Explosion Sales Increase

**Many Prospects Sell Themselves on Coverage if Suggestion Is Made by Agent**

### BEST SIDE LINE TODAY

**Merchants Handling Food Stuffs Are Buying—Companies Write the Business Rather Freely**

The sale of riot and explosion insurance is the brightest feature of fire insurance company production today. A few companies are developing this business aggressively and are giving more and more attention to it, because of the response that is registered. Many insurance men are skeptical and somewhat apathetic when it comes to sidelines. There has been an attempt on the part of many production departments to pump up enthusiasm in all the sidelines. Some agents, therefore, solicited some of this business and if they found there was not much appeal, they became deaf to further production hints. However, there is a real market for riot and explosion now and selling efforts in that direction are rewarded. Agents, who have given up side lines, will be surprised if they make another effort.

Some companies are advising their agents to put the emphasis on explosion and go after simple explosion insurance, while others advise emphasizing the riot feature and selling riot and civil commotion policies, which include explosion coverage. The latter method is likely to produce larger premiums and provide the insured with greater coverage.

#### Reluctant to Circularize

The companies have been somewhat reluctant to circularize agents or even field men with riot and civil commotion sales material. There is a danger that, unless diplomatically presented, the agent will get a reputation as an alarmist or, by making flat prediction that riots will occur, may cause consternation in his community. For instance, any merchant handling foodstuffs is a splendid prospect for riot insurance and these merchants are buying it. Yet, if the agent tells a prospect there is a big danger of food riot, that agent may make himself and the insurance companies unpopular. In presenting this coverage, the agent should rely more on the power of suggestion than upon predictions of dire happenings. The depression has naturally caused people to think of the possibility of disturbances of one kind and another and there have been enough disturbances throughout the country, to make people fear more serious outbreaks. Therefore, if the agent merely makes a suggestion that riot and civil commotion insurance is a good investment in these times, he will make his

(CONTINUED ON PAGE 30)

## Bank Moratoriums Cause New Insurance Problems

**NEW YORK, March 1.—Officials of fire and casualty companies are naturally much concerned over the banking situation in Michigan, Maryland, Indiana and Ohio and are fearful that similar action will be taken in other states.**

Insurance companies find it impossible to collect accounts from their agents, the latter having their banking facilities tied tighter than a drum. Banks of this city are receiving checks drawn on banks in the communities where holidays have been declared, for collection, but are not allowing them as credits. The Michigan situation seems to be particularly complicated, in that checks drawn during the holiday period have not only been dishonored, but are returned with the notation that a new check must be issued.

To keep their field men in Michigan and Maryland supplied with funds some companies are telegraphing expense money, and even paying some small losses in the same way.

While no concerted action has been taken by the fire companies as to handling losses in the financially embarrassed states, some offices declare in favor of strict observance of the 60 days allowed for such settlements in the policy contract. Other companies are settling Michigan and Maryland claims by drafts on funds in this city, Washington or Philadelphia, as might be most convenient.

Generally speaking the casualty and surety companies are following the practice of the fire offices as to paying losses; that is, through the issuance of drafts on centers where they have substantial sums on deposit.

#### Concerned Over Depository Bonds

How long the companies will continue this practice of settling claims in places where they are shut off from collecting premiums is a question; some holding that if the idea of declaring bank holidays becomes general, the insurance companies would be justified in taking similar action with respect to the settlement of their obligations to the assureds, and incidentally, to the insurance departments of the states in default.

Depository bond writing surety offices are particularly concerned with present financial conditions and are tabulating the extent of their coverages in the holiday states, as well as in those rumored as considering taking similar action. At the same time the various legal aspects of the situation as applied to public money covered by depository bonds is being carefully studied by the legal departments of the companies. Depository bond coverage has been scaled down greatly throughout the country.

Those companies that have not dispatched important officers to study conditions in Michigan at close range, are keeping in telephonic and telegraphic communication with their leading representatives in the state, instructing that the head offices be kept constantly informed as to all important developments affecting insurance interests.

#### RAWLINGS ISSUES STATEMENT

**CLEVELAND, March 1.—Ralph Rawlings, president of the Monarch Fire of Cleveland, issued the following**

statement: "Cleveland banking situation does not affect our position in slightest degree. All losses and expenses will be met promptly as heretofore."

#### MISSOURI BILL IS PASSED

The McCawley bill which permits officials of Missouri state banks and trust companies to declare a six-day moratorium on withdrawals when they believe the safety of the financial institution is in danger is now in full force and effect, having been signed by Governor Park. At the end of the six-day period the bank officials may either remove the restrictions or turn the bank over to the state finance commissioner to be operated by his department for another period of 60 days. In the latter period all new deposits would be kept separate and be returned in full to the depositors should the state department finally decide to close the bank and liquidate its assets.

#### MICHIGAN AGENTS GATHER

About 75 agents, company officials and field men gathered at Lansing, Mich., at the call of Clyde B. Smith, head of the Lansing local board, to discuss the insurance angles of the Michigan banking situation.

The agents explained the situation in their various cities. The percentage of deposits subject to withdrawal varies from 2 to 10 percent with 5 percent prevailing in Detroit and most of the larger cities.

B. L. Hewett, western manager of the Boston and Old Colony, suggested that each agent send a statement to his companies of his exact condition, including the amount of customers' checks on hand, accounts receivable, the sum

(CONTINUED ON PAGE 10)

## Louisville Board Makes Plans for Mid-Year Meet

**LOUISVILLE, March 1.—Committees of the Louisville Board have been working diligently in preparing for the mid-year meeting of the National Association of Insurance Agents here March 20. There will not be much time or money wasted on extravagant entertainment, in that sessions will be devoted strictly to business. Subjects which will be considered include production branch offices, bonds on governmental and other public contracts; the blanket fidelity schedule of the Reconstruction Finance Corporation, inroads of inland marine general cover contracts on fire business;**

## Adjusters Having Claims Difficulty

**Find Themselves Between Millstones of Company Economizing, Assureds' Acquisitiveness**

### MANY DELAYS RESULTING

**Presence of Mortgagee Interest Adds to Problem—Reduction in Losses Is Consolation**

**NEW YORK, March 1.—Adjusters, throughout the eastern jurisdiction at least, report increasing difficulty in effecting proper claims settlements, particularly where a mortgagee interest attaches to the burned property. Assureds in the latter case are not only anxious to recover all they can for their own account, but desire to get sufficient additional to pay the accrued interest on the mortgage plus taxes due, and to make partial reduction on the principal of the mortgage, so that it may be renewed for another term. This is a task by no means easy these days, when bankers and mortgage companies are reducing outstanding loans wherever possible.**

#### Adjusters Between Two Fires

The pronounced disposition on the part of many assureds to collect the utmost farthing from the insurance carriers has compelled the latter to scrutinize loss claims with unusual thoroughness, so the adjuster is faced on the one hand with an insistent demand from claimants for liberality in settlement, while the companies are equally positive in requiring that loss figures be held strictly within the bounds of the proven fire damage.

This condition makes for delay in claim handling and is the direct outgrowth of the present strained economic situation. A further feature bearing upon the problem is the disposition of some builders to liberality in the preparation of repair estimates, making the figures fit in somewhere between what they feel would be the actual cost of reconstruction, and that claimed by the assureds.

#### Losses Reported Lower

Fortunately there has been a lull in reported losses of late. Adjusters who previously were working at top speed now find time to handle cases assigned them comfortably and opportunity to delve into every factor of each claim.

That losses are adjusted today, by and large, upon a more sensible basis than for a long time is unquestioned, and credit must be accorded in part to the much heralded "business depression."

agency qualification laws, resident agent acts and other legislation, and cancellation of policies for non-payment of premiums.

## Flood of Legislation This Year Involving Insurance

### REVENUE BILLS PREDOMINATE

Counsel for Organizations "Run Ragged" by Grist of 42 Assemblies Holding Sessions

The insurance legislation situation is as chaotic as business generally in this country, according to organization attorneys who have been making the rounds in the 42 states which now have legislatures in session. The legislators are under tremendous pressure to do something—nobody knows what—to relieve the economic disturbances and bring the country out of depression.

There have been revenue measures introduced on all sides attacking the problem from every angle, including sales tax, gross income tax or net income tax. There is very obviously an effort, insurance men say, to shift the taxation burden from real estate to other forms of income producing property. A few of these measures have had the grace to come out flatfooted as "replacement taxes," but these are the exception rather than the rule.

### MINNESOTA FUND MEASURE

Fire company men are much concerned over the Minnesota bills (senate bill 551 and house bill 576) to create a new fire and tornado state fund and to make mandatory the placing of insurance in this fund on all public property. This is seen as a deliberate encroachment on private business. It would fail to set up adequate underwriting facilities, has no technical administration features, ignores the loss of tax revenue to the state and would create a considerable administrative expense. All insurance interests and agents in the state are actively opposing it on the basis that the government's duty is to protect private business and not compete with it.

There is a species of state fund which has been in existence there for many years, but it is said funds have been inadequate to meet the losses on the normal schools alone. Only state property has been insured in this old fund and yet it has had a vicarious existence.

### ARKANSAS RATE PROPOSAL

In Arkansas house bill 83 would amend law to permit the insurance department to order lower fire rates if it should appear the companies were making over 5 percent underwriting profit for a five-year period.

There was some little hope in the Wisconsin and North Dakota situation. The assembly in Wisconsin defeated the bill to repeal the reciprocal tax law, thus leaving the law as it has been for many years.

The bill provided that companies of other states must pay in Wisconsin the same tax rate as Wisconsin companies were charged in other states. There was a very strong vote against it.

### NORTH DAKOTA CONSERVATIVE

It is reported all inimical bills in the North Dakota legislature were killed and the session is about to adjourn. Among these were one creating a fire adjustment bureau, another that the application in any form of insurance would not be considered a part of the policy, and a third that all loss payments on fire risks would be liable for unpaid taxes on the property insured.

The Kansas legislature is expected to adjourn in a week or ten days. Assemblies of the other states generally are about half way through their agenda. Counsel for various insurance organizations and companies literally have been "run ragged" with the tide of legislative work this year.

## Actuary Analyzes Current Situation in Fire Business

NEW YORK, March 1.—In an analysis of the fire and marine business at the meeting of the American Statistical Association here, W. M. Corcoran of S. H. & Lee J. Wolfe, New York consulting actuaries, said the results are far from discouraging when compared with other lines of business. It is reported that in 1932 over \$87,000,000 in capital was transferred to surplus accounts by stock fire companies. Expenses were cut and there were many mergers and reinsurance. The companies can take great pride, he said, in the fact that there were only a few companies which resorted to receivership. In most of the companies corrective measures were applied without outside assistance, only \$12,000,000 being borrowed from the Reconstruction Finance Corporation, \$10,000,000 of this being secured by one company.

### UNDERWRITING NOT ALARMING

Underwriting results, said Mr. Corcoran, have not been alarmingly unsatisfactory. The companies' troubles have been caused very largely by investment operations. Since investment results are beyond any control by company management, officials have naturally turned to improvement in underwriting practices in an effort to offset heavy investment losses. Premium volume has been decreasing at a rapid rate, the 1929 total of over \$1,000,000,000 decreasing to \$700,000,000 in 1932.

Due to the release of reserves because of decrease in premium, some underwriting profits are shown on the earned basis whereas, in effect, there was really no actual profit.

### REDUCE LOSSES AND EXPENSES

The sharp decrease in underwriting profit in 1930 forced the company officials to reduce losses and expenses to a minimum, said Mr. Corcoran. Losses in 1930 totaled \$463,000,000, and in 1932, \$442,000,000. However, some consideration must be taken in the lower cost of replacements.

Conditions have also made it imperative for the companies to strictly abide by the manual rates, said Mr. Corcoran. The tendency to write business on an annual rather than a current basis has increased the premiums. A number of other steps have been taken to eliminate expenses and increase income.

Mr. Corcoran characterized the Interstate Underwriters Board as one of the most important developments in fire insurance in recent years, the use of which is bound to extend rapidly.

Marine experience has paralleled that of the fire, although premiums have

## THE WEEK IN INSURANCE

**BANK MORATORIUMS** cause complications for insurance interests in many cities. **Page 3**

\* \* \* Reduction in automobile thefts in Chicago is source of gratification to company officials. **Page 5**

\* \* \* **ADJUSTING DIFFICULTIES** reported in fire insurance due to companies' demand for economy and insureds' insistence on all they can get out of coverage. **Page 3**

\* \* \* **STOCK COMPANY PREMIUMS** in Manhattan and the Bronx were lower by about 12½ percent in 1932 than in 1931. **Page 5**

\* \* \* **REVENUE MEASURES** predominate in legislative grist from 42 state assemblies. **Page 4**

\* \* \* **TEXAS INSURANCE DEPARTMENT** reports companies are not collecting full premiums at prescribed rates. **Page 4**

\* \* \* **NEW JERSEY ASSOCIATION OF UNDERWRITERS** expresses confidence at semi-annual meeting that its agents' qualification bill will pass the legislature. **Page 5**

## Texas Department Detects Evil Fire Rate Practices

### NOT ABIDING BY SCHEDULES

Mauk Warns Stock Companies to Check Agents' Subterfuges to Get New Ratings

AUSTIN, TEX., March 1.—As a result of accusations that the fire insurance companies are not collecting the full premiums at rates prescribed by the Texas general basis schedules, the Texas fire insurance department has announced that its investigation of the situation shows that the accusations are to a certain degree justified.

"Particularly did we find that the exposure charges to dwellings located in second and third key towns were not correctly applied," Commissioner R. S. Mauk announced in a bulletin to stock fire companies, "and in numerous cases where dwellings were located outside the city limits or over 1,000 feet from a fire plug, the city key rate was used instead of a key rate of \$1. We also found a number of instances in which the class experience penalties were disregarded."

### SEEK LOWER RATE

"It also comes to our attention," said Mr. Mauk, "that many agents and companies indulge in the use of sheer subterfuges for the obvious purpose of creating a change in hazard on a risk in order that existing policies may be endorsed with a lower rate not otherwise applicable to existing policies. For example, one policyholder was receiving a small credit for fire extinguishers—in order to get the benefit of the increased credit for use of the 80 percent coinsurance clause, the agent suggested that the owner remove enough of the fire extinguishers to bring the protection below the standard and demand a new rating. We understand a few agents have recommended to some of their clients, hold-

(CONTINUED ON PAGE 23)

shown a more pronounced decrease, in 1932 the total being 50 percent of that for 1929. The companies have not been able to reduce expenses proportionately and the expense ratio has increased although the loss experience has been fairly satisfactory.

Mr. Corcoran said it is now recognized that it is doubtful wisdom investing large proportions of a fire company's assets in common stocks. Stricter underwriting and more attention to collections are the trend of the day. It is also recognized that the capitalization of fire companies is far past the saturation point.

Plans are completed for the mid-year meeting of the Illinois Association of Insurance Agents at Springfield next Thursday. **Page 16**

\* \* \* Michigan Blue Goose, at its annual meeting in Lansing Tuesday, will welcome the new Michigan insurance commissioner. **Page 16**

\* \* \* Physician urges New York City Accident & Health Club to require examinations on ages over 45 and periodical tests of applicants for coverage; predicts greater morbidity due to degenerative diseases. **Page 25**

\* \* \* New Jersey deputy explodes claims of labor employers that workmen's compensation is unobtainable from companies on many risks. **Page 26**

\* \* \* Increases in workmen's compensation rates allowed in Massachusetts, Kansas and Virginia. **Page 27**

\* \* \* Compensation situation reviewed by W. F. Roeber, general manager National Council on Compensation Insurance. **Page 25**

## Remittances to and From Home Offices Last Year

Following is a statement of amounts remitted to and received from home offices by U. S. branches of alien companies in 1932 as reported to the New York department.

	To	From
Alliance Assur.....	\$ 73,922	\$ 6,130
Atlas.....	53,451	23,170
Baltica.....	5,987	82,500
British & For. Mar.	592,592	342,700
Caledonian.....	1,135	.....
Century.....	197,269	928,325
Christiania Gen.....	104,567	194,245
Commercial Union.....	687,640	63,412
Eagle Star & Brit.....	53,801	8,487
Fonciere.....	24,830	.....
Fuso M. & F.....	.....	43
General, Paris.....	21,219	939,297
Halifax.....	48,875	.....
Indemnity Mut. Mar.	192,030	869
Jupiter Gen.....	5,736	.....
Kyodo.....	63,341	.....
L & L. G. ....	604,059	712,914
London Assur.....	363,183	622,703
London & Prov.....	3,408	47
London & Scottish.....	5,345	1,064
Marine.....	625,887	269,864
Maritime.....	39,041	4,792
Meiji.....	250,000	.....
Netherlands.....	50,522	50,522
New India.....	.....	.....
New Zealand.....	57,369	12,336
No. Brit. & Mer.	705,268	.....
North China.....	66,033	36,012
Norwich Union.....	97,876	40,426
Ocean Marine.....	39,583	5,208
Palatine.....	559,735	622,103
Pearl.....	183,529	.....
Phoenix.....	32,807	18,207
Prudential Re and Co.	1,854	1,725
Reliance Marine.....	28,906	1,831
Royal.....	4,164,384	3,598,037
Sea.....	529,642	214,323
Scottish Union.....	52,063	66,135
Skandinavia.....	15,822	7,281
South British.....	10,175	5
Standard Marine.....	842,090	308,520
Sun.....	3,748	319,722
Swiss Re.....	60,021	.....
Switz. Gen.....	264,616	2,897
Union, London.....	136,785	.....
Union, Canton.....	265,055	220,804
Union Marine & Gen.	74,405	79,291
Union, Paris.....	3,748	319,722
Union & Phoenix.....	115,975	72,910
Urbaine.....	185,620	89,198
Thames & Mersey.....	10,106	14,788
Yorkshire.....	135,988	30,488

## S. E. U. A. Balance Rule Is Adopted at Special Session

NEW YORK, March 1.—The Southeastern Underwriters Association at its special meeting here today by a virtually unanimous vote accepted the agency balance rule as submitted by the executive committee, effective June 20.

The executive committee at its gathering last night clarified verbiage of the rule submitted to the membership some days ago, but made no material changes in it. There has been some criticism by company heads as to the time limit permitted local agents for settling balances, the thought being that a more restricted date should be fixed.

The only other subject considered was the proposed amendment to the constitution divorcing wholly any relation between general and local agencies. The suggestion, which met general favor, will be formally submitted to the membership shortly and a mail vote taken on it, permitting final action at the annual meeting in the spring.

### Schroder to London & Lancashire

C. H. Schroder has been appointed special agent for the London & Lancashire group in Connecticut to succeed C. T. Walters, who goes with the Wakefield, Morely & Co. general agency of Hartford. Mr. Schroder has had two and a half years field experience in Connecticut.

### Cancellation at Hope, Ark.

Owing to the many losses on vacant buildings at Hope, Ark., some companies have sent out notices to their agents asking them to cancel policies when they ascertain that a dwelling is not to be occupied.

### Get Safeguard for Connecticut

Wakefield, Morely & Co., of Hartford have been appointed general agents of the Safeguard for Connecticut.

## Qualification Act Expected to Pass

New Jersey Agents Hold Semi-  
Annual Meeting at  
Trenton

### LEGISLATION IS DISCUSSED

President Livingston Reviews Problems  
—Attacks Competition of Marine  
Departments

By GEORGE A. WATSON

Confidence that the agents' qualification bill before the New Jersey legislature would be enacted was expressed at the New Jersey Association of Underwriters semi-annual meeting in Trenton. Not discouraged by previous efforts to get the measure passed, members were urged to exert their influence with the legislators to secure its passage at the present session.

Other bills outlined by the legislative committee and approved by the association are: "(1) For the regulation and incorporation of insurance companies and to regulate the transaction of insurance business in this state. (2) To provide for an examination by the department of banking and insurance with an examination fee to be paid by the applicant to cover the cost of conducting such examination. (3) To extend the provisions of the present resident agency law to include domestic companies except as to policies issued direct from the home office of a domestic company. To strengthen the present law making it unlawful for any insurance company to do business in this state unless licensed by the department of banking and insurance. (4) To protect the insurance buying public, by providing for an examination by the department of banking and insurance with an examination fee to be paid by the applicant to cover the cost of conducting such examinations."

#### View Appointments with Alarm

In his survey of conditions in New Jersey for the past six months President A. V. Livingston "viewed with alarm" the multiplicity of agency appointments, declaring that it is incumbent upon all those engaged in agency work and following ethical business practices to give their support only to companies similarly minded, warning that if the American agency system is to survive it would be only through the granting of licenses to those properly equipped to serve the interests of property owners. He attributed much of the suspicion directed toward insurance companies to the work of fly-by-night solicitors and brokers, who have no real conception of the various forms of coverage afforded by the business and the proper application of each to particular hazards. Branch offices also hold a serious threat, he maintained, and advocated determined opposition to them by the agents.

#### Criticizes Inland Marine Practices

The most effective means, said Mr. Livingston, for meeting the opposition of assureds to present day rates, notably in automobile liability coverage, is in educating motorists along accident prevention lines. He criticized companies which use their inland marine departments to take business away from their fire men through the granting of unusually liberal forms of contract at rates materially less than the fire agents are permitted to offer.

Chairman W. G. Hurtzig of the ex-

## Premiums in Manhattan and Bronx Down 12½% from 1931

Decrease in stock company premiums in Manhattan and the Bronx for the last half of 1932 as compared with the same period in 1931 was about 12½ percent, according to figures compiled by the New York "Journal of Commerce." Following is an exhibit of premiums of the leading companies for the entire year 1932 and 1931:

	1932	1931
Home .....	\$1,143,763	\$1,235,435
Great American .....	793,006	995,519
Continental .....	647,937	878,946
United States .....	442,253	580,952
North River .....	429,519	552,255
National Liberty .....	408,921	460,018
L & L & G .....	404,512	320,358
American Equit. ....	387,519	402,776
North America .....	375,063	395,950
Commercial Union .....	354,924	396,301
Automobile .....	332,360	353,300
Niagara .....	328,577	384,891
Globe & Rutgers .....	319,209	603,510
North British .....	309,505	351,401
American Eagle .....	306,642	252,674
Hartford .....	275,330	228,234
London & Lancashire .....	273,794	315,827
Royal .....	265,717	399,695
Aetna .....	253,667	268,643
National .....	249,578	260,254
Scottish Union .....	222,066	110,070
Fire Association .....	218,731	211,103
City of New York .....	206,004	314,496
Phoenix of England .....	195,474	243,311
Philadelphia F. & M. ....	189,885	197,542
Fidelity-Phenix .....	183,399	219,060
Travelers Fire .....	178,976	179,600
Sun .....	177,386	206,098
Queen .....	177,315	187,784
Concordia .....	176,334	259,598
Phoenix of Hartford .....	173,449	226,496
Westchester .....	169,799	191,043
St. Paul .....	168,209	209,370
Standard, N. Y. ....	157,282	121,048
American .....	153,392	130,431
Firemen's .....	148,124	190,847
National Union .....	147,680	140,934
Knickerbocker .....	146,416	149,766
Pennsylvania .....	144,689	141,805
Springfield .....	143,455	192,062
New York Fire .....	135,257	51,651
Agricultural .....	135,013	124,439
Nat. Ben Franklin .....	134,230	60,101
Franklin .....	131,925	157,723
Stuyvesant .....	122,090	138,897
Northwestern Nat. ....	120,337	142,168
Mercantile .....	118,179	109,055

	1932	1931
Buffalo .....	116,432	118,922
London .....	111,706	124,278
Norwich Union .....	111,390	140,991
Star .....	109,766	45,967
Providence-Wash. ....	107,517	146,808
Alliance .....	105,079	118,721
Mechanics & Traders .....	105,921	55,889
Merchants, N. Y. ....	105,077	125,679
New Brunswick .....	103,584	78,353
Northern of London .....	101,176	119,874
Law, Union & Rock .....	100,671	78,802

The figures by groups for the full years of 1932 and 1931 are as follows:

	1932	1931
Home .....	\$2,165,142	\$2,699,711
America Fore .....	1,549,124	1,829,688
Crum & Forster .....	1,275,707	1,744,137
Royal-Liverpool .....	1,103,571	1,108,564
Firemen's .....	742,836	837,184
Great American .....	1,066,849	1,247,069
Corroon & Reynolds .....	855,685	1,017,674
North America .....	732,109	797,211
North British .....	701,421	713,591
Commercial Union .....	629,648	686,402
London & Lancashire .....	514,417	553,035
National .....	466,673	443,542
Globe & Rutgers .....	397,532	730,407
Phoenix of London .....	395,576	493,320
Hartford .....	322,838	349,860
Aetna Life .....	356,762	400,070
Fire Association .....	315,067	322,694
Aetna Fire .....	309,258	285,000
*Phoenix of Hartford .....	304,963	405,963
Sun .....	298,089	315,486
Scottish Union .....	269,755	156,196
Tokio M. & F. ....	240,044	240,612
Yorkshire .....	232,969	254,121
Frelinghuysen .....	199,608	269,486
American .....	193,643	158,844
St. Paul .....	183,598	234,031
*Springfield .....	186,937	302,697
Fireman's Fund .....	179,956	263,508
Agricultural .....	155,048	181,638
Merchants of N. Y. ....	143,555	148,864
London .....	141,767	159,260
*Royal Exchange .....	134,904	153,656
Glens Falls .....	132,182	171,884
Norwich Union .....	127,194	165,843
Northern of London .....	117,095	137,125
Providence Wash. ....	116,446	167,135
Dubuque F. & M. ....	115,749	114,963
Meserole .....	115,551	153,598
Atlas .....	109,612	101,164
Boston .....	107,651	104,993
Pleper .....	88,276	169,244

\*Figures incomplete.

### Decker Named on Executive Group of Oil Association

Ray Decker, Pacific Coast manager of the Royal and Liverpool fleet, was elected member of the executive committee of the Oil Insurance Association, succeeding H. R. Burke, former manager for the Royal fleet on the coast, retired, at the annual meeting Feb. 24. All officers and directors were reelected. General Manager H. M. Carmichael reported the association had satisfactory experience in 1932, premiums having been increased due to the securing of some new business. Losses were reasonable.

### More Large Shippers Are Parcel Post Self-Insurers

NEW YORK, March 1.—Marine executives report an increase in the practice of large shippers acting as parcel post self-insurers. The shippers charge their customers the same amount that the government charges and set aside these collections into a fund to pay losses. Because of the fact that many of the good risks are following this practice, the marine people feel that in this class of business each risk must stand on its own feet and pay a premium which permits the insurance company to come out whole.

#### Opens Minnesota Branch

The Farmers Automobile Inter-Insurance Exchange of Los Angeles, has established Minnesota headquarters in St. Paul, with C. W. Johnson as state manager. He was formerly branch manager of the National Citizens Mutual in St. Paul. J. G. Pregler, who has been associated with Mr. Johnson for seven years, will be St. Paul manager.

### No Deduction in Tax for Expected Refunds Allowed

The United States circuit court of appeals for the ninth circuit in Brown vs. commissioner of internal revenue has held that a general agency representing a number of fire companies which kept its books on an accrual basis is required to report for federal tax income purposes the full amount of over-riding commissions received in a taxable year without deducting as a contingent liability an amount equal to expected refunds of such commissions on account of future reinsurance or cancellation.

#### Theory of Petitioner

The theory of the petitioner was that an allowance should be made for contingent liability to refund in subsequent years such an amount as the past experience of the business indicates would be required. This reserve would be in the proportion of the gross premiums earned within the year as the total premiums canceled during the preceding five-year period bears to the gross premiums written in the same period.

"Revenue taxation," said the court, "requires that one who receives a sum of money subject to his disposition should account for the same as income in the year he receives it, and not at some indefinite future time of his own selection. Should the practice urged by petitioner be followed, the collection of the revenues of the national government would be uncertain, for the government would be taking the chance that the money is still available for taxation during subsequent years and that the taxpayer is still solvent. Such reserves, as urged by petitioner, to cover contingent liabilities, are not allowable as deductions unless sanctioned by statute, and we do not find any such statute."

## Auto Theft Loss Lower in Chicago

Company Officials Now Hopeful Certificate of Title Law Will Be Passed

LOW PRICE CARS TARGET  
Even Stripping Is Reduced, But Interested Agencies Find Practice Is Difficult to Control

NEW YORK, March 1.—Whatever the cause, company officials are gratified over the reduction in the number of automobiles stolen in Chicago recently. In no other center have cars been stolen in such number in recent years as in Chicago.

Companies have no criticism to offer of the police, feeling confident that they have been and are sincerely desirous of checking the car theft racket, for it is realized that whereas New York's police force numbers 17,000 men, that of Chicago is scarcely one-fourth that number.

#### Hope for Title Law

Should the Illinois legislature pass the certificate of title measure prepared by the Chicago crime commission and endorsed by automobile clubs and car dealers, some check will be put upon trade in stolen machines. Certificate of title laws are in force in 22 states, and bills of like character are under consideration in two other states. Such measures, however, are effective only to the extent that they are vigorously and intelligently enforced. In some states authorities are unwilling to appropriate the comparatively small amounts required to make the act effective. On the other hand in New Jersey, New York, and in various other states, public officials cooperate with underwriters in tracing stolen cars wholeheartedly, and have been directly responsible for recovery of many machines and arrest and conviction of a number of organized gangs.

It is figured that 93 percent of all automobiles sold in this country are manufactured by General Motors, Ford and the Chrysler corporations, the machines most in demand being Fords, Chevrolets and Plymouths, all in the low price class. Thefts of Plymouth cars in Chicago have reached such proportions as to alarm underwriters, as well as the Chrysler people.

The practice of thieves is to strip a stolen car of its body and entire equipment, and sell the chassis to a "gyp" dealer for \$50 to \$75. The dealer replaces the body and accessories, and sells the machine for half the price of a new car, thus savagely cutting into the market of legitimate automobile agencies.

In a considerable percentage of cases insurance companies pay total losses on the "stolen" cars. It has been suggested that if instead of disposing of the remains of "stolen" machines, the salvage on which is relatively small, the insurance offices should destroy the chassis, a severe crimp would be put in the operations of shyster second-hand car dealers who are waxing fat on this illicit trade.

#### J. L. Cummings

J. L. Cummings, who for some time has been special agent in south Texas for the Home, Franklin and City of New York, is now representing the National Liberty as well. For greater convenience he has transferred headquarters from Dallas to Houston.

## NEWS OF THE COMPANIES

### Mets Pavonia Fire President

Succeeds the Late J. F. Pershing—  
Stevens Elected Secretary, Bloodgood Remains Vice-president

James A. Mets has been elected president of the Pavonia Fire of Jersey City, succeeding the late James F. Pershing. R. L. Stevens, who has been a director for a little more than a year, was elected secretary, succeeding G. W. Bloodgood, president of the Mets-Bloodgood Agency, who continues as vice-president.

Mr. Mets joined the company as vice-president shortly after its organization in 1928. He has been in fire insurance work for many years and was formerly affiliated with the Frelinghuysen interests in New York and New Jersey.

### National Union Fire Figures

The National Union Fire in its annual statement shows assets \$13,739,157 of which \$9,694,553 are bonds and stocks, \$1,120,440 mortgages, \$684,820 cash. Its real estate amounts to \$1,014,777. Its loss reserve is \$1,001,304, premium reserve \$6,462,510, capital \$1,100,000, net surplus \$1,830,521.

### National of Hartford Statement

The National of Hartford in its Dec. 31, 1932, statement shows strong financial condition. A contingency reserve of \$6,549,617 was voluntarily set up to reflect surplus on an actual market value, this reserve covering the full dif-

ference between convention basis on which bonds were amortized and year end market quotations for all securities. Capital of \$5,000,000, surplus \$10,794,100 and general reserve \$1,700,000 are maintained. The underwriting profit last year was \$640,102 and net earnings from investments \$1,450,490.

### New Hampshire's Figures

The annual figures of the New Hampshire show assets \$16,088,764 of which \$3,240,750 are federal bonds, \$10,811,847 other stocks and bonds, \$468,480 cash. The premium reserve is \$4,517,926, capital \$3,000,000, contingency reserve \$2,421,000, net surplus \$5,199,959.

### Seaboard F. & M. Capital

The Seaboard Fire & Marine has voted to transfer \$500,000 in capital to surplus by reducing the par value of shares from \$10 to \$5. The capital now is \$500,000.

### Pacific American Fire

The sixth liquidating dividend of the Pacific American Fire, Los Angeles, was distribution of \$2 per share made to stockholders March 1, bringing total liquidating dividends paid to \$25.40 per share.

### Henry Clay Fire

The Henry Clay Fire of Lexington, Ky., has made a cash distribution of \$56,250 to stockholders, representing reduction in capital from \$112,500 to \$56,250 voted in January. The company has

been in liquidation since Dec. 31, 1928, when its reinsurance contract with the Hartford Fire expired. It has paid liquidating dividend to stockholders of \$15.75 per share, with certain assets yet to be liquidated.

### John D. Saint Will Speak on State Organizations

John D. Saint, manager of the North Carolina Association of Insurance Agents, will speak before the New York agents' group in Louisville, March 21, at the time the National Association of Insurance Agents is holding its meeting, giving some ideas on plans that he has worked out for developing state bodies. The New York meeting will be under the general chairmanship of Allan I. Wolff of Chicago, chairman national executive committee. Preceding the joint session of the state and national association, the New York group and national councillors will have a joint luncheon.

### R. O. Young Is Transferred

R. O. Young, special agent attached to the Wayne county, Mich., office of the North America, has been transferred to the western section of that state with headquarters at Grand Rapids. He will be associated there with R. G. Osgood. Mr. Young is a graduate of the Northwestern University fire insurance course and has been in Wayne county about three years.

**Grant M. Rhode**, who was formerly with the U. S. Casualty at Chicago and founded the Allied Insurance Agency there has gone with the Housz agency of the John Hancock Mutual Life.

## FIGURES FROM DECEMBER 31, 1932, STATEMENTS

### FIRE COMPANIES

#### STOCK COMPANIES

	Assets	Change in Assets	Reins. Res.	Change in Reins. Res.	Capital	Surplus	Change in Surplus	Losses Paid	Net Prem.	Loss Ratio	Security Fluc. Res.
Agricultural	13,823,894	-592,426	5,055,900	-388,793	3,000,000	1,316,242*	-2,827,791	2,924,108	5,043,291	57.9	3,246,883
Achor. R. I.	1,933,785	-577,987	451,714	9,902	1,000,000	223,345	-130,263	240,562	47,981	50.3	166,824
Baltica	2,652,028	122,737	125,087	-28,345	200,000	906,804	136,948	628,247	1,118,996	57.0	.....
Buffalo, N. Y.	6,046,648	57,049	2,088,107	-153,974	1,000,000	1,643,183*	71,319	913,078	1,661,831	56.6	.....
California	5,066,913	155,932	1,778,981	-163,843	1,000,000	1,541,922	-63,661	916,960	1,584,110	57.8	376,450
Commerce, N. Y.	3,502,467	-295,268	1,273,948	-109,241	1,000,000	806,694	-386,173	602,622	2,125,058	49.6	200,000
Eagle, N. J.	4,328,735	-1,216,793	2,142,078	-583,232	815,000	921,922	181,839	1,270,021	1,756,708	72.3	.....
Empire State	2,826,493	46,874	426,596	-32,334	1,000,000	754,920*	-124,777	218,737	384,906	55.5	655,377
Equity, Mo.	1,093,437	45,849	21,469	6,555	200,000	556,798	-66,592	57,602	340,941	25.6	.....
Eureka Secur. F. & M.	3,847,821	406,625	168,761	13,331	1,000,000	434,053	-33,243	749,401	1,548,113	48.4	300,000
Fireman's Fund	32,529,610	-2,463,318	11,882,336	-1,445,525	7,500,000	7,539,525	-2,021,243	7,866,343	13,099,610	60.0	2,282,309
General Exchange	14,209,004	695,943	4,891,390	-2,251,698	1,000,000	5,725,723	1,880,314	5,051,559	8,319,653	67.1	1,468,145
Glens Falls	17,363,960	-2,393,964	6,097,129	-1,147,413	2,500,000	6,105,818	369,247	3,305,148	5,731,727	57.7	1,000,000
Granite State	4,136,779	275,894	1,324,215	-97,208	1,000,000	1,034,978	160,574	640,994	1,101,331	58.2	584,500
Home F. & M., Calif.	5,452,990	-407,438	2,248,935	-236,190	1,000,000	1,538,662	-200,404	1,198,682	2,066,187	58.0	240,068
Homesekers	252,729	6,674	15,432	2,597	201,151	25,731	-1,153	4,828	14,274	33.0	.....
International, N. Y.	6,636,813	-798,470	2,521,919	-985,828	1,000,000	1,392,144	177,280	1,860,372	2,024,046	92.0	1,000,000
Kansas City F. & M.	1,273,452	14,230	140,260	-7,924	500,000	513,447	-11,695	57,697	145,078	39.7	50,000
Merchants, Colo.	1,747,570	-18,718	695,212	-32,477	400,000	507,963	23,726	273,272	566,581	48.2	6,156
Michigan F. & M.	3,882,566	-244,174	1,486,790	-261,614	1,000,000	601,370	161,125	794,463	1,274,892	62.0	464,715
National F. & M., N. J.	935,381	-16,305	.....	500,000	323,730	-1,616	17,584	.....	.....	.....	.....
New Hampshire	16,088,764	-1,361,496	4,517,926	-456,459	3,000,000	5,199,959	-847,847	2,299,948	3,893,882	59.0	2,421,060
New India	1,174,435	-55,268	443,973	49,119	.....	544,741	41,502	52,687	498,398	50.7	37,568
North Star	3,963,692	562,662	1,329,817	-91,772	800,000	1,068,701	199,352	957,607	1,517,337	63.1	336,786
Occidental, Cal.	3,778,244	1,862	767,516	-82,317	1,000,000	1,751,912	53,580	397,691	679,745	58.5	144,686
Ohio Farmers	4,292,536	-20,142	2,772,263	-236,688	.....	1,109,329	110,000	1,509,998	2,605,605	57.9	150,000
Pearl	4,829,225	-2,576,482	1,299,156	541,446	200,000	2,672,278	1,640,905	376,158	1,203,323	31.3	429,580
Providence Washington	13,637,474	-3,573,295	4,240,368	-548,740	3,000,000	2,181,233	-867,809	2,735,105	4,589,766	59.5	3,106,195
Richmond, N. Y.	4,592,910	1,555,252	1,426,049	402,885	1,000,000	639,423	52,858	762,527	1,400,560	54.4	.....
St. Louis F. & M.	532,150	68,415	158,125	52,386	200,000	124,103	-18,900	29,948	137,066	21.8	.....
Skandinavia	1,863,166	-174,469	868,005	-62,024	.....	739,628	63,294	531,957	859,549	61.9	32,822
South Carolina	946,328	-53,653	363,021	-63,530	200,000	202,022	16,910	251,923	397,503	63.3	140,000
Southwestern Fire	737,070	-38,800	56,513	-12,429	370,400	287,451	-27,670	23,806	43,589	54.6	.....

\*December 31 values.

†All reinsured.

	Cash Assets	Unearned Prem.	Cash Surplus	Losses Paid 1932	Total Income	Total Disburs.	Security Fluc. Res.
Affiliated Underwriters, N. Y.	77,491	216,030	454,993	224,569	195,118	282,503	492,731
Berkshire Mutual, Mass.	807,439	518,918	235,723	535,547	240,718	565,756	584,179
Dorchester Mutual, Mass.	572,250	192,475	324,673	153,316	59,633	174,983	152,617
Fidelity Mutual, Ind.	296,536	111,625	162,407	148,558	70,940	161,684	156,204
Fireproof-Sprinklered Und., N. Y.	530,679	71,220	346,276	59,673	22,855	101,018	231,285
Ft. Worth Lloyds, Tex.	121,632	20,376	83,543	32,307	21,307	35,495	43,241
Hingham Mutual, Mass.	763,034	304,723	380,514	219,683	101,043	250,264	237,813
Individual Und., N. Y.	2,185,795	255,980	1,430,124	133,335	110,909	492,713	920,078
Manufactur. & Merc., N. H.	1,176,832	213,919	788,298	169,083	78,209	208,326	225,689
Mfrs. & Wholesalers Indem. Ex., Colo.	254,610	66,309	174,010	192,312	55,659	192,312	185,680
Merch. & Mfrs. Mut., Ohio	332,890	139,825	157,124	194,505	100,741	206,718	211,140
Metropolitan Inter-Insurers, N. Y.	839,860	169,743	588,306	175,929	96,298	230,700	368,222
Millers' Mut., Ill.	2,236,480	824,514	1,238,138	1,355,848	494,246	1,442,429	1,413,372
Nat. Retailers' Mutual	1,124,349	616,003	313,131	1,042,970	378,992	1,075,866	995,263
N. Y. Central Mut. Fire.	264,392	136,428	264,392	195,526	115,825	208,257	217,764
N. Y. Recip. Und.	2,425,743	294,234	1,618,684	292,626	76,779	495,509	1,159,929
Pa. Lumbermen's Mut.	2,801,735	758,970	1,486,465	1,342,466	559,836	1,458,767	1,381,148
Phenix Mutual Fire, N. H.	599,356	161,508	224,851	135,229	60,020	149,739	145,887
Quincy Mutual, Mass.	2,355,301	740,358	1,577,838	618,877	257,468	713,453	655,630
Reciprocal Exch., Mo.	1,422,162	456,050	1,025,968	486,705	280,649	715,314	810,737
State Fire, N. H.	241,232	40,188	127,798	39,754	14,655	44,689	38,865
Traders & Mechanics, Mass.	870,186	264,041	591,312	189,389	70,683	229,399	201,191
Union Mutual, Vt.	400,004	83,009	164,802	450,024	304,188	617,524	612,150
United Serv							

# INTERNATIONAL RE-INSURANCE CORPORATION

Balance Sheet—December 31, 1932

## ASSETS

Cash in Banks and Office.....	\$ 817,051.46
Premiums in Course of Collection (Not over 90 days).....	4,354,886.66
Accrued Interest Receivable.....	134,957.24
Salvage Recoverable, Accounts Receivable and Other Assets.....	3,466,756.62
Securities: (Book Value)	
U. S. Government Bonds.....	\$ 1,244,304.57
State and Municipal Bonds.....	1,100,607.85
Railroad Bonds .....	1,883,948.38
Public Utility Bonds.....	1,363,597.28
Corporate Bonds and Stocks.....	10,079,145.24
	15,671,603.32
*Less Depreciation .....	3,453,544.07
	12,218,059.25
*Total Securities .....	
Loans:	
Secured by Collateral.....	307,515.09
Secured by Mortgage on Real Estate.....	1,974,339.00
	2,281,854.09
Total Loans .....	
Real Estate:	
(Including Equity in Home Office Building) .....	2,028,767.91
	\$25,302,333.23

## LIABILITIES

Accrued Commissions, Taxes and Other Liabilities .....	\$ 4,195,756.01
Reserves:	
Reserve for Losses and Loss Expenses.....	\$10,240,291.60
Unearned Premiums .....	6,395,687.89
	16,635,979.49
Total Reserves .....	
Contingent Reserve .....	1,470,597.73
Capital Stock and Surplus:	
Capital Stock .....	1,500,000.00
Surplus .....	1,500,000.00
	3,000,000.00
Total Capital Stock and Surplus.....	
	\$25,302,333.23

\*Valued on the basis approved by the National Convention of Insurance Commissioners.

INTERNATIONAL RE-INSURANCE CORPORATION  
CARL M. HANSEN, President

84 William Street,  
New York, N. Y.

Home Office  
Pacific Finance Building,  
Los Angeles, California

76 King William Street,  
London, England

**For 18 years  
just plain  
old fashioned  
honesty  
to  
policyholders,  
agents,  
brokers.**



**Home Office**  
223 W. Jackson Blvd., Chicago, Illinois  
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years. Organized in 1914 as Motor Vehicle Underwriters, changed to Motor Vehicle Casualty Company in 1930.

## Want the Superintendent to Be Given More Power

### VAN SCHAICK GIVES VIEWS

New York Official Supports Measure to Give His Office More Authority on Valuations

NEW YORK, March 1.—Unless the proposed measure designed to give the superintendent of insurance the power to determine the basis of valuation for the assets of insurance companies is passed at the present session of the legislature a situation may arise before the end of this year which the New York department may be unable to control, Superintendent Van Schaick declared at a joint hearing of the senate and house insurance committees at Albany.

The hearing evoked a considerable difference of opinion from representatives of insurance companies and organizations. Most of the opposition centered around the measures conferring what some considered arbitrary authority on the superintendent. Mr. Van Schaick urged the necessity of passing these measures.

Strong approval was expressed by a number of representatives for a measure which would make it illegal to circulate rumors about the stability of insurance companies. It is believed that this would go far toward discouraging the promiscuous switching of policies.

### Tokio and Standard Figures

The annual statement of the Tokio shows assets \$13,822,797 of which \$3,055,472 is cash, \$1,932,899 federal government bonds, \$1,250,157 state, county and municipal bonds and \$3,453,092 other bonds. It owns stocks of \$3,710,675. Its premium reserve is \$1,843,560, contingency reserve \$2,050,499, statutory deposit \$400,000 and net surplus \$9,336,638.

The Standard of New York shows assets \$5,965,405 of which \$2,182,323 is cash, \$293,362 federal government bonds, \$1,157,185 state and municipal bonds, \$1,167,558 other bonds, \$1,947,176 stocks. Its premium reserve is \$1,186,730, contingency reserve \$1,142,046, capital \$1,500,000, net surplus \$1,922,578.

The contingency reserve put up for both companies places the net surplus on an actual market basis of securities as of Dec. 31 last.

### Hartford Appoints Donaldson

J. C. Donaldson this week has been appointed special agent for the Hartford Fire in the Philadelphia territory under Manager E. C. McColley. Mr. Donaldson has been in the field for a number of years. He was at one time with the North British & Mercantile, later with the Globe & Rutgers and more recently with a large Philadelphia agency.

### B. L. Heath & Co. Changes

The office of B. L. Heath & Co. has been moved to A-1507 Insurance Exchange, Chicago, telephone Harrison 1768.

Owing to the regulations of the Chicago Board, Mr. Heath has been compelled to relinquish his representation of the Central Mutual Plate Glass of Chicago. This change permits him to retain his class 1 membership in the board.

### Not Worried About Cuba

Fire insurance interests are not especially concerned over the rioting reported from various centers of Cuba, feeling that the present administration of the island, supported as it is by the army and the police, will be strong enough to cope with the situation. American fire offices cover principally the sugar warehouses, and these are closely guarded at all times. The same holds with respect to tobacco purchased for the American market. The product

## Operations of American Are Discussed by Bailey

Interesting comments on the year's operations were made by President C. W. Bailey of the American of Newark in transmitting to stockholders the annual report of that company. He said the contingency reserve of \$5,000,000 was set up for depreciation of securities below the convention values and that the net surplus over and above such reserve exceeded by a margin of \$1,481,431, the amount which during the year was transferred from capital.

Premium income showed an increase of more than 5 percent in 1932 and earned premiums amounted to \$12,812,477. Losses paid were 2 percent below those of the previous year and the ratio of losses paid to premiums written was 4 points less. However, there was an underwriting loss of \$734,779 on the incurred and earned basis. There was a net decline in total assets of \$1,471,359.

Controllable expenses have been substantially reduced, but other items were less amenable to control. There was a large increase in unadmitted assets, such as premiums and other receivables in course of collection but past due, some of which are tied up in suspended banks.

## Ohio Mutual Federation Protests Against Land Bank

At the meeting of the Ohio Federation of Mutual Insurance Associations in Columbus there was considerable criticism voiced against the Louisville land bank. A resolution was adopted protesting against the action of the officers, who it is claimed, instead of paying the assessments due on policies deposited with them in connection with loans on Ohio farms have persisted in rewriting the insurance in some other companies. It is claimed that the cost has been added to the mortgagor's indebtedness and it is said that in many instances the premiums have exceeded the assessments. The land bank has insisted that the standard mortgage clause be at-

Members of the legislative committee of the federation conferred with officers of the Louisville land bank Monday. A. P. Sandles of Columbus, an officer of the Louisville land bank, spoke before the Ohio federation and defended his institution and the rate of interest that has been charged and the policy adopted by the land bank. R. E. Sawyer of Shelby was reelected president of the Ohio federation. Gus Seiberling of Barberton was reelected president of the Ohio Mutual Windstorm Association. A. F. Little of Covington is president of the federation and C. W. Miller of Bucyrus of the windstorm body.

### Increase D. of C. Tax Rate

WASHINGTON, March 1.—A bill to increase the net premium tax rate in the District of Columbia from 1 to 1½ percent has passed both houses of Congress and is now before the President for his approval.

### Mrs. George Hermann Dead

Mrs. George Hermann, wife of the well known Chicago local agent, died at her home in that city Wednesday of this week. She had been ill for the last five months and went to Miami, Fla., with Mr. Hermann in January expecting to spend the winter there. She suffered a relapse and was brought home. Mr. and Mrs. Hermann had been married for over a half century.

held in warehouses by island planters, however, is a different story from an underwriting standpoint, many companies being cautious in assuming such risks. One of the largest tobacco losses in the history of Cuba is now in process of adjustment on a sound claimed value of \$750,000.

March 2, 1933

## THE NATIONAL UNDERWRITER

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**Discover \$10,000 Bonds in Tennessee Department Quiz****FOUND BEHIND OFFICE SAFE****Former Commissioner Reece Files Supplementary Answer in Case Against Him**

NASHVILLE, TENN., March 1.—A block of \$10,000 Michigan utility bonds, a part of the \$100,000 bonds missing from the blue sky division of the Tennessee insurance department, was discovered behind the office safe, Attorney-General Beeler announced. The bonds were placed in a vault for safekeeping. J. I. Reece, former commissioner, and his brother, Lem Reece, have been arrested, the former charged with larceny and the latter with conspiracy to commit an indictable offense in connection with the bonds.

**Bonds All Accounted For**

Of the \$100,000 bonds, mainly Arkansas and Michigan utility issues, \$73,000 was reported sold in New York Feb. 3. There is \$17,000 in the hands of the Guaranty Trust Company of New York, and the \$10,000 recently found completes the total of \$100,000 discovered missing from the blue sky division and reported to the governor by Commissioner Tobin of Memphis, who succeeded Reece.

Reece has filed a supplemental answer in a Nashville chancery court in a new effort to have dissolved an injunction obtained by the state of Tennessee under which his property in several banks and safety deposit boxes is impounded. He is charged with larceny of bonds missing from the blue sky division of the state of Tennessee. He denies allegations of misappropriation and concealment or conversion.

Reece set out that on Jan. 5, after he learned he would not continue in office, he directed Claude Williams, at that time manager of the blue sky division, to check the bonds received as to that division. This was done, he contends. The first knowledge he had that the bonds were missing, according to his answer, was when he was so informed by Mr. Williams on Jan. 31.

**Says He Notified Tobin**

In his answer, Reece states that he wired the new commissioner, Joseph Tobin, giving him the information about the missing bonds. He states the bonds were not posted as missing until Feb. 6, after all of the bonds had been delivered to the Guaranty Bank & Trust Company of New York, with which institution they were left openly and in his own name by Lem Reece, who, according to the answer, was "handling and selling the same innocently for a client." The answer expresses the belief that the bonds were taken to Memphis and through a third party transmitted to New York for sale under the representation that they belonged to a Memphis insurance company and that the person who delivered the bonds to Lem Reece had been recommended to Lem Reece by W. C. Walkup, present chief inspector in the blue sky division.

**Pearl Appoints Agents**

The Pearl Assurance has appointed Sidney Green its local representative at Dallas, and given its New Orleans agency to Leon Irwin. Mr. Green has been connected with the C. P. Collins general agency at Dallas for several years prior to his entering the local field on his own account. In addition to the Pearl he represents the Merchants of New York. Mr. Irwin has long been a figure in agency circles in his city. The Pearl has no departmental offices or general agencies, save one of the latter on the Pacific Coast, nor does it propose creating any, its policy being to

name representatives in central communities throughout the country.

**Economy Trend in Budget Prepared for Tennessee**

NASHVILLE, TENN., March 1.—More than \$7,000,000 lower expense of operation of the government of Tennessee a year has been worked out by a special committee and a budget offered for approval of the legislature. A number of economies are of interest to insurance men. In the insurance department the committee recommendations would slash personnel to such an extent

that, with the aid of reduced salaries, the personal service would amount to only \$31,100 as compared with \$52,626, and operating expenses would be reduced from \$87,003 to \$43,100, a total saving of \$43,903.82.

The blue sky division is left out entirely. Department of labor salaries are cut along with the uniform lines. The workmen's compensation division is reduced \$3,690 through salary slashes and elimination of a clerk. In the fire prevention division salaries are cut, five investigators are dropped, along with one secretary-clerk, to save \$13,740 on personal services, and operating expenses

are cut \$6,067, a total reduction of \$19,807 in the division.

**Lockport, N. Y., Board Elects**

The Lockport (N. Y.) Board has elected Miss Nellie E. McCarthy president, succeeding W. G. Dickenson. L. C. Hickey is vice-president; D. M. Walker, secretary-treasurer. The new executive committee is composed of B. D. Wright, John Slattery and C. C. Bewley.

**C. B. Williamson**, formerly manager of the Southwestern Adjustment Bureau and then special agent of the Security of New Haven, has opened an independent adjusting office in Austin, Tex.

**...Faithful** to a fault...but he can be in only one place at a time! Low salaried, perhaps, but, in many cases, twice as expensive as an automatic watchman which guards all parts of the property at the same time.

**Thousands of concerns have saved money in many ways by installing A.D.T. Central Station automatic fire detecting and reporting systems.**

**Insurance men are recommending these systems as effective means of economizing...And because they make property more secure against fire, it often is possible to carry a larger line. Show a man how to increase his protection and reduce his operating costs at the same time and see how quickly he will renew his policies.**

Our men are always happy to work with engineers, brokers or agents . . . Make them your consultants.



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## Bank Moratoriums Cause New Insurance Problems

(CONTINUED FROM PAGE 3)

represented by checks issued and not cleared before the moratorium and the amount of his bank balance.

Other company executives present were Frank Ellsworth, president, and Walter Lewis, vice-president of the Michigan Surety of Lansing. The insurance department was represented by Deputies H. B. Corell and R. M. Wade. Among the prominent agents on hand were P. J. Braun, Flint; G. E. McVoy, Grand Rapids; O. A. Jenison and George Goodell, Lansing; H. L. Van Auken, Saginaw, and J. W. Mundus, Ann Arbor.

G. C. Dillman, Michigan state highway commissioner, complained to the attorney general that some of the surety companies which had depository coverage on \$500,000 or more of highway funds in various banks have been seeking to cancel their contracts since the proclamation of the moratorium. The attorney general issued an informal opinion that the companies cannot cancel at this time. The attorney general advised the highway commissioner to make demand upon the banks for the payment of the deposits, thus fixing un-

questionably the obligation of the surety in case the demand is not met.

A new complication from the insurance angle has developed in connection with the Michigan bank moratorium. At the beginning of the moratorium, the insurance department advised agents that they should accept checks in payment of premiums falling due during the moratorium period. Then last week the governor announced that all checks issued at that time were void. The result is that agents have had to send out letters to policyholders advising them of the situation and asking that new checks be sent in following the end of the moratorium. The agents have therefore been unable to make settlements with their home offices and in cases where statements were sent in, based on the supposed payment by check, it has been necessary to wipe all these transactions off the books and start all over again.

### NO POLICIES TO EXPIRE

BALTIMORE, March 1.—Charles H. Robson, vice-president of the Central Fire of Baltimore, stated:

"There is no need for panic of any kind. No fire insurance policies will be permitted to expire during this period unless policyholders give such instructions. All losses during the bank holi-

day will be covered. Now is the time for everybody to keep their feet on the ground."

### BALANCE SITUATION CHAOTIC

The agency balance situation is again chaotic. Most companies felt that they were getting balances on a bedrock foundation and that this year would see great reforms in that direction. Now an entirely new crop of agents is in distress. Agents, who have never heretofore failed to remit on time, are delinquent.

Apparently, several agents in Cleveland anticipated the action that was to be taken there, because some of the companies received substantial checks in payment of February accounts. However, some of these checks were made out last Saturday and were not received by the companies until Monday. On that day, the moratorium was declared.

In Michigan, the companies found that agents who paid their balances in checks made out during the moratorium, must now make out new checks. Probably the same situation will prevail in Ohio. That is checks made out during the moratorium will not be honored. The tendency developed in states not affected by moratoriums, is for the agents to remit current balances. Some agents

and brokers cleaned up all indebtedness to their companies to date and even paid something on account against the March balance.

The moratoriums present a brand new problem to the companies and they are seeking all information possible on how to proceed and investigating various features. Probably individual treatment will have to be applied to the various agencies. Banks in the various states are affected differently. For instance, in Michigan, at least one bank conducted a normal business throughout the moratorium.

Company executives had at least one thing to be thankful for and that was that the moratorium situation did not develop towards the end of last year. That would have been disastrous, coming just before annual statement time when the getting in of balances was vital. Now, at least, the companies have 10 months in which to get straightened out.

The most important feature of the loss payment question in connection with the various bank moratoriums is the handling of payments to workmen's compensation claimants, particularly the payment of the weekly benefit. In Michigan, some of the casualty companies set up petty cash funds, issued drafts and cashed the drafts at their branch offices, in order to have the signature of the compensation claimant. This was preferred to the practice of paying in money orders or otherwise.

Until Monday, compensation claimants were being paid by Maryland companies by draft, but some of the claimants found they could not cash these drafts, the bank merely accepting them for collection. As a consequence at least one of the Maryland companies on Monday issued instructions not to issue any more drafts to claimants, but to send the loss papers to the head office and checks would be issued. One of the Baltimore companies issued drafts on a Baltimore bank and apparently arranged to have them honored. Another of the companies issued New York drafts.

The question of depository bond liability in banks, whose deposits are partially frozen by governmental edict or otherwise, comes up. Possibly liability of this nature may be compromised on an ultimate loss basis. That is, the depositor would agree not to make a claim against the surety company until all of the frozen assets of the bank are administered and then the surety would be called upon to pay the difference between the amount realized on those assets and the amount of the deposit.

On every side, insurance men ask whether there will not have to be moratoriums on payments by insurance companies if bank moratoriums become general.

Some companies always send out their salary checks to field men to arrive the last Saturday before the first of the month. Many field men of these companies in Indiana and Ohio deposited such checks last Saturday when they received them. Where company checks were used, payment could be stopped, but where cashiers' checks were used, payment could not be stopped.

### SITUATION IN CINCINNATI

CINCINNATI, March 1.—The Eureka-Security of Cincinnati is in a splendid cash position to meet the Cincinnati banking withdrawal limit. The company has large deposits outside Cincinnati where it is not now believed that withdrawal restrictions will become necessary. The company is prepared to withstand a protracted local withdrawal restriction period. President B. G. Dawes has instructed agents of the company in at least one city where the banks are closed to cancel all policies over 60 days old when the premium has not been paid. He says that if clients did not pay while the banks were open, the company cannot afford to take chances on carrying the risks while the banks are closed unless premium payment is made within the 60 days period.

# The American Insurance Company, Newark, N. J.

Incorporated 1846

### Financial Statement—December 31, 1932

#### Admitted Assets

*United States Government Bonds .....	\$ 1,556,660.00
*Railway and other Bonds and Stocks .....	18,217,879.10
Bonds and Mortgages.....	1,745,772.50
Real Estate .....	4,658,150.00
Cash in Banks and Office.....	1,364,885.87
Premiums and Re-Insurance in course of collection.....	2,503,003.12
Interest and Rents due and accrued .....	104,544.24
Total Admitted Assets...	\$30,150,894.83

#### Liabilities

Unearned Premiums .....	\$13,459,658.70
Reserve for Losses.....	2,416,533.60
Other Liabilities.....	805,790.63
Contingent Reserve .....	5,000,000.00
Special Reserve .....	300,000.00
Total Liabilities .....	\$21,981,982.93
Capital....	\$3,343,740.00
Surplus....	4,825,171.90
Surplus to Policyholders.	8,168,911.90
	\$30,150,894.83

\*Valuations as approved by National Convention of Insurance Commissioners.

## AS SEEN FROM CHICAGO

### W. S. BOYD RETIRES

William S. Boyd of Chicago, who since 1894 has been working in the interest of insurance for the control of electrical hazards, is retiring under a liberal pension arrangement as electrical inspector of the Western Underwriters Association and secretary-treasurer of the western section of the International Association of Electrical Inspectors. He is succeeded in that capacity by C. P. Holmes of the Western Actuarial Bureau, who will carry on these activities, in addition to his present duties. Mr. Boyd has had his headquarters at the head office of the Western Underwriters Association.

After several years of experience as an electrician, Mr. Boyd was employed by the late W. H. Merrill, founder-president of the Underwriters Laboratories, for laboratory work and inspection of building wiring in Chicago and Cook county. Mr. Merrill at that time secured a joint appropriation from the old Western Union and the Chicago Underwriters Association for the establishment of an electrical testing station in Chicago.

From 1901-03 Mr. Boyd was insurance manager of the Western Electric Company. In the latter year he again became connected with the Western Union, directing the work of enlarging and improving the municipal supervision of electrical wiring and apparatus in the central west. He saw the need for organization and brought about the formation of the Western Association of Electrical Inspectors, which had a great influence in behalf of safer wiring.

Mr. Boyd has been a member of the electrical committee of the National Fire Protection Association since 1912 and was a member of its executive committee for three years. He was for several years secretary of the Fire Underwriters Uniformity Association, which is now out of existence. He was at one time president of the International Association of Electrical Inspectors.

\* \* \*

### CIGARETTE LOSSES

There has been a great deal of discussion about cigarette losses. In this connection it is interesting to review what S. B. Komaiko, Chicago agent, had to say on the subject in the May 21, 1925, issue of THE NATIONAL UNDERWRITER:

"Another source of almost equally potential evil consequences which contributes to the rise of the careless hazard, is the spread of the smoking habit among members of the feminine sex. And if we are to compare the premiums received from household furniture protection policies, where women and girls have the chief responsibility, with those coming from industrial risks; the proportionate losses resulting from the former may be greater than those resulting from the latter. As an illustration, the burning of a small hole into a settee, resulting from a carelessly misplaced cigarette stub, often necessitates the re-decoration of an entire set of furniture—at a great expense to the fire insurance companies."

"According to my mind, losses such as the one here described, should be classed with losses coming under the head of the explosion and electric clauses where the liability is definitely limited; for there is no reason in the world why increases in rates caused by carelessness in the home should be borne by the store and factory. If, as a consequence, the rate on household furniture cannot be increased then legislative bodies and insurance commissioners should be prevailed upon to allow a change in contract as per my suggestion."

\* \* \*

### RATE INCREASES RECOMMENDED

New automobile rates for Chicago, running as high as \$15 per hundred for the theft hazard on the cheaper cars, has been recommended by the western

advisory committee of the National Automobile Underwriters Association. Recommendations as to Chicago rates must be passed upon by the board of directors of the automobile association at a meeting, which will probably be held in New York about March 21. The increase in Chicago rates, if finally adopted, will be about the most radical change in the automobile fire and theft tariff this year. New manuals probably will not be issued and what few changes there are will be effected by the issuance of supplementary bulletins.

### COMPLICATIONS ON LOSSES

Fire companies are finding that owing to the great number of receivingships, liens, mortgage obligations, indebtedness and claims of all kinds, every loss has to be scrutinized carefully before it is paid to see that the remittance is drawn in the proper way. Where there are other interests brought in other than the policyholder and various people are making claims, it is frequently necessary to get the advice of an expert on loss matters or a lawyer. There never was a

time when properties were so involved as at present.

### Outlook for Hail, General Business Gloomy—Griffin

MINNEAPOLIS, March 1.—Further decline in premium income, higher losses on heavily encumbered buildings and unfavorable prospects for hail business are in store for northwestern states unless economic conditions improve, in the opinion of John H. Griffin, president Northwestern Fire & Marine.

"Fire insurance companies operating in the middle west will show a continued decline in premium income of 12½ to 15 percent on fire and allied lines, and losses generally will be higher if present conditions continue to exist, particularly on heavily encumbered buildings," Mr. Griffin said.

"Decrease in value of stocks of merchandise, slowing up of manufacturing and lack of new buildings leave no possible chance for improvement unless conditions change materially."

"Prospects for hail business are not favorable. If the allotment plan is adopted in time to be effective on this year's crop, it would have a very wholesome effect on the hail business. Limit-

ing production naturally would increase prices and make the crop more valuable, and hence the producer would have a real incentive to cover his values by hail insurance."

"Conditions in the field still remain very unsatisfactory owing to the present low price of all agricultural products in the so-called prairie states."

### Deliberate Breakage of Neon Signs Is Suspected

NEW YORK, March 1.—A number of the marine departments suspect that Neon sign claims are being caused by deliberate breakage on the part of repair men, who are called to correct defects. That is, a hammer might purposely be dropped against a sign and the owner be told that the accident was inadvertent. Proof is lacking, but there have been a number of cases where damage has been done by repair men. The motive might be to create work for the repair men.

The Neon sign all-risk business is an accommodation line. One company, for instance, states that a loss has developed on practically every Neon sign written. The average claim is for \$30 to \$35, while the rate is 2 percent with a minimum premium of \$10.

## FIRE AND CASUALTY COMPANIES ATTENTION

### Collect Your Own Accounts

Why have your money tied up in "bad debts" when our method will collect it? Every firm can now collect its own accounts speedily, efficiently and at very low cost.

### Your Debtors Will Pay

every cent to you when this efficient method is used. No outside commissions need be paid out as you collect every cent yourself without revealing your identity.

*Full details furnished on request. Write*

## INDUSTRIAL CREDIT ASSOCIATION

302 Broadway, New York City

**Property Valuation Now Bears Watching: Hanawalt**

The two most important points for agents and brokers to watch at present in writing fire insurance are moral hazard and insurance to value, L. R. Hanawalt, assistant western manager National of Hartford in Chicago, declared in the educational course being sponsored by the Continental Casualty branch office in Chicago.

He said financial conditions of applicants should be exhaustively examined. Wherever the retail value of the property on the present market would be below the amount which could be realized from fire companies in case of total fire loss, moral hazard might exist, Mr.

Hanawalt said. However, this question of valuation of property is a difficult one today because it is impossible to go entirely on the sale value, which under existing conditions quite frequently is well below the actual cash value arrived at by deducting depreciation from reproduction cost.

**Values Highly Important**

The companies are watching values in relation to insurance very closely. On larger property appraisals to determine insurable value are necessary. On risks involving \$3,000 or more fire insurance, sufficiently accurate results may be reached by inspection report and adequate underwriting by agents or brokers.

Mr. Hanawalt dealt mainly with first principles, discussing insurable interest, cash value of property, the various factors which will void the policy or cause

difficulty, such as nonconcurrency; use and occupancy, rent and rental value insurance, the coinsurance clause. He gave an outline of rating methods and supplemental coverages. He dealt first with the standard fire policy, then tornado insurance. He took up briefly hail, riot and civil commotion, which latter coverage he declared is a strong potential hazard under the unsettled economic condition, particularly as regards mercantile establishments handling the necessities of life. He stated this line of coverage should be written concurrently with fire policies to avoid controversy over contribution in case of overlapping coverage. He also touched on automobile and inland marine insurance.

**INSURANCE STOCK QUOTATIONS**

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago, as of Feb. 27

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.....	10	1.60	35	37
Aetna Fire .....	10	2.00	24 1/2	26 1/2
Aetna Life .....	10		10	12
Amer. Alliance..	10	1.00	9	11
American, N. J..	2.50	.50	6 1/2	7 1/2
Amer. Surety .....	25		9	11
Automobile, Conn.	10	1.00	13	15
Boston .....	100	16.00	325	350
Carolina .....	10		9	11
City of N. Y....	100	2.50	65	75
Conn. Genl. ....	10	.80	17 1/2	19 1/2
Contl. Assurance	10	2.00	25	27
Continental Cas. ....	5		6 1/2	7 1/2
Continental Ins. ....	2.50	1.20	12	14
Fidel-Phenix .....	2.50	1.20	13	14
Fireman's Fund .....	25	3.00	40	41
Firemen's F. Ind. ....	10		16	18
Firemen's .....	5	.60	5	6
Franklin Fire .....	5	1.00	8 1/2	10 1/2
Glens Falls .....	10	1.60	21	23
Globe & Rutgers	25		28	33
Great Amer. Ind. ....	1		5	6
Great American. ....	5	1.00	9 1/2	11
Halifax .....	10	.90	7	8
Hanover .....	10	1.60	19	21
Harmonia .....	10	1.80	7	8
Hartford Fire .....	10	2.00	32	34
Home, N. Y....	5	1.00	12	13
Hartford St. B. ....	10	1.60	37	38
Home F. & M....	10	2.00	20	22
Homestead .....	10		6	7
Ins. Co. of N. A. ....	10	2.00	30	32
Lincoln Natl. L. ....	10	2.50	30	33
Maryland Cas....	2		2	3
Mass. Bonding....	25	2.00	10	12
National Cas....	10	.40	5	6
National Fire....	10	2.00	35	37
National Liberty	2	.10	2 1/2	3 1/2
National Surety	10		5	6
National Union....	20		18	22
New Amst. Cas. ....	10	1.50	12	13
New Brunswick....	10	.50	8	10
North River .....	2.50	.60	8	9
N. W. National....	25	5.00	68	73
Occidental .....	10		9	11
Pac. Mutual....	10	2.00	26	27
Phoenix, Conn. ....	10	2.00	44	46
Prov. Wash....	10		16	18
Sprgld. F. & M....	25	4.50	62	65
St. Paul F. & M....	25	6.00	100	103
Sun Life....	100		230	250
Travelers .....	100	16.00	290	300
U. S. Fire....	4	1.20	17	18
U. S. Fid. & G. ....	2		3	4
Westchester ....	2.50	1.00	13 1/2	14 1/2

**Commissioner of Wisconsin Reports Officers' Salaries**

MADISON, WIS., March 1.—A total of \$16,178,902 salaries was received in 1932 by 1,113 officers of insurance companies operating in Wisconsin, Commissioner Mortensen reported to the assembly in response to a resolution calling for reports on salaries paid to insurance, utility and railroad company officers. Mr. Mortensen's report covers approximately 275 of the 400 carriers operating in Wisconsin. He will make an additional report when data is received.

The report reveals that one board chairman received \$101,750 salary last year, a first vice-president \$90,500, and five life company presidents total salary of \$675,400.

Salaries paid officials of the life companies included in the report totaled \$6,513,022. Fire company executives received \$5,418,166, casualty company officials \$3,481,520, and officials of fraternals \$766,194.

**Fire Loss Adjustments Are Attacked in Two Measures**

The present system of fire loss adjustment by the companies is under fire in the Illinois legislature. A bill was introduced by Representative W. J. Gormley of Chicago to create an "Insurance Adjustment Commission" of five members having no connection with insurance, to handle and adjust fire, tornado, hail, lightning and windstorm claims.

Company representatives and policyholders would be prohibited from viewing a loss before final adjudication except in company of a commission member. The commission's expenses would be met by a 3 percent tax on the amount of loss adjustment.

The bill would require companies to notify the commission of each loss, when a member would be sent to take charge, make inventory and report to the commission, which would set the amount of loss, the findings being called for within 15 days after the loss. A violation of the measure would be deemed a misdemeanor with a maximum fine of \$1,000.

Representative Gormley formerly was secretary of the Cook county forest preserve commission.

**New York Exchange Slate**

NEW YORK, March 1.—As officers of the New York Fire Insurance Exchange for the next fiscal year to be voted on at the annual meeting March 8, the following have been nominated: President, S. T. Perrin; vice-president, J. W. Russell; secretary-treasurer, Harold M. Hess.

**Mills Reelected Board Chairman**

H. F. Mills, Pacific Coast manager of the Aetna Fire, has been reelected chairman of the board of directors of the National Automobile Club.

The Central Manufacturers Mutual had a total income of \$3,177,638 in 1932. In a recent issue this figure was published incorrectly as \$2,177,638.

**Arkansas Appointment Soon**

LITTLE ROCK, ARK., March 1.—Governor Futrell within the next few days is expected to announce the appointment of a successor to Commissioner A. D. DuLaney, whose term expires March 5. Although no announcement has been made from the governor's office, U. A. Gentry, municipal judge at Hope, who has served in both branches of the legislature, has been mentioned for the place.

Mr. DuLaney was appointed in 1931 to fill out the unexpired term of W. E. Floyd, whose appointment by Governor Parnell was not confirmed by the senate.

**W. H. Adamson** of the Adamson & Boyle agency of Glens Falls, N. Y., died recently at the age of 51. He had been in the insurance business since 1904.

**Convention Dates**

March 9—Illinois Agents (mid-year), Springfield.

March 13-14—Florida Agents, Tampa.

March 20—National Association of Insurance Agents (mid-year), Louisville.

April 11-12—Western Underwriters Association, White Sulphur Springs.

April 20-21—Louisiana Insurance Society, New Orleans.

May 19-20—Arkansas Agents, Hot Springs.

May 22-24—New York Agents, New York.

May 29-June 1—National Fire Protection Association, Milwaukee.

June 1-3—Insurance Commissioners, Chicago.

June 5-7—Health & Accident Underwriters Conference, Chicago.

June 15-17—Pennsylvania Insurance Days, Atlantic City.

June 23-24—Virginia Agents, Charlottesville.

Sept. 11-13—International Claim Association, Atlantic City.

Sept. 25-27—Insurance Advertising Conference, Chicago.

Sept. 26-28—Casualty Conventions, White Sulphur Springs.

**U. S. BRANCH**  
**THE YORKSHIRE INSURANCE COMPANY, LTD.**  
OF YORK, ENGLAND  
Annual Statement, December 31, 1932

ASSETS	LIABILITIES
Bonds and Stocks....\$3,327,563.25	Reserve for Unpaid Claims .....\$ 293,296.84
Values on National Convention of Insurance Commissioners Basis	Reserve for Unearned Premiums ..... 2,054,549.22
Mortgages .....	Reserve for all other Liabilities ..... 60,000.00
Collateral Loans .....	Contingency Reserve.. 352,000.39
Agents Balances .....	Deposit Capital.. \$ 200,000.00
Not over Three Months Due	Surplus.... 1,139,166.44
Accrued Interest .....	Surplus to Policy Holders .....
Cash in Banks and Offices .....	1,339,166.44
Miscellaneous .....	\$4,099,012.89
	\$4,099,012.89

Trustee for the funds of the Company in the United States:

BANK OF NEW YORK AND TRUST CO.  
48 WALL STREET, NEW YORK

**THE YORKSHIRE INDEMNITY COMPANY**  
90 JOHN STREET, NEW YORK

Annual Statement, December 31, 1932

ASSETS	LIABILITIES
Bonds and Stocks....\$1,438,797.25	Reserve for Unpaid Claims .....\$ 400,217.99
Values on National Convention of Insurance Commissioners Basis	Reserve for Unearned Premiums ..... 377,565.26
Collateral Loans .....	Reserve for all other Liabilities ..... 87,190.57
Premiums in course of collection—not over three months Due... 190,126.08	Contingency Reserve.. 142,677.79
	Capital ....\$750,000.00
Accrued Interest..... 14,600.20	Surplus .... 584,752.73
Cash in Banks and Offices .....	Surplus for the Protection of Policy Holders .....
690,880.81	1,334,752.73
\$2,342,404.34	\$2,342,404.34

**BACON, WHIPPLE & CO.**

Established 1926

**H. W. CORNELIUS, Specialist**  
Insurance and Bank Stocks

Tel. State 3100

112 W. Adams St., Chicago

Members Chicago Stock Exchange, Chicago Curb and Milwaukee Stock Exchange

## Fire Premiums in 1932 by Lines

Preferred Risk		Eureka Security		California		Anchor, R. I.					
		Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses				
Fire	\$ 701	\$ 66,429		Fire	\$ 1,375,294	\$ 811,503	Fire	\$ 327,718	\$ 145,366		
Motor Vehicle	6,921	7,442		Motor Vehicle	98,107	50,357	Ocean Marine	41,613	23,220		
Earthquake	—397			Earthquake	3,341		Motor Vehicle	44,968	20,061		
Tornado-Windstorm	21,605	12,633		Inland Marine	13,421	8,969	Inland Marine	45,774	44,254		
Hail	1,681	1,596		Tornado-Windstorm	88,439	44,740	Tornado-Windstorm	16,449	6,242		
Sprinkler Leakage	—424	45		Sprinkler Leakage	2,659	809	Riot and Explosion	890	1,386		
Riot and Explosion	—155	26		Riot and Explosion	2,575	444	Other Lines	149			
* * *											
<b>Fuso M. &amp; F.</b>											
Ocean Marine	\$ 36,978	\$ 22,828		* * *		* * *					
Inland Marine	76,407	51,075		Agricultural		Holmberg Named Director					
* * *											
<b>Belt Fire, Cal.</b>											
Motor Vehicle	\$ 21,956	\$ 18,177		Fire	\$ 3,806,248	\$ 2,280,877	G. C. Holmberg, treasurer of the				
* * *				Ocean Marine	234,854	165,764	Northwestern Life of Minneapolis,				
<b>Ohio Farmers</b>				Motor Vehicle	616,075	323,977	has been elected a director of the				
Fire	\$ 1,654,947	\$ 1,091,861		Earthquake	2,040		Northwestern Fire & Marine of				
Motor Vehicle	690,057	360,053		Inland Marine	128,904	95,137	Minneapolis. He also will serve as a				
Inland Marine	15,417	6,014		Tornado-Windstorm	182,987	50,134	member of the finance committee. Mr.				
Tornado-Windstorm	127,254	51,296		Hail	2,663	4,736	Holmberg is well known in life circles				
Hail	4,127	369		Sprinkler Leakage	11,075	2,904	because of his activities in the financial				
Sprinkler Leakage	1,599	292		Riot and Explosion	8,446	580	section of the American Life Convention,				
Riot and Explosion	2,203	12		* * *		in 1929-30 and chairman in 1930-31.					
* * *											
<b>Commerce</b>											
Fire	\$ 977,515	\$ 477,800		Baltica		C. T. Minick, Sheridan, Wyo., has sold					
Motor Vehicle	158,599	99,970		Fire	\$ 1,037,280	\$ 611,234	his agency to W. H. Holcomb & Son.				
Earthquake	300			Ocean Marine	3,462						
Inland Marine	38,476	17,302		Motor Vehicle	6,423	9,130					
Tornado-Windstorm	34,316	6,510		Earthquake	5,672						
Sprinkler Leakage	3,563	1,747		Inland Marine	5,449						
Riot and Explosion	2,289	192		Tornado-Windstorm	57,966	6,768					
* * *				Hail	2,599	28					
<b>Glens Falls</b>				Sprinkler Leakage	3,100	206					
Fire	\$ 3,894,563	\$ 2,428,013		Riot and Explosion	5,811	1,876					
Ocean Marine	483,038	252,726		Aircraft	141	.....					
Motor Vehicle	680,377	326,495		* * *		* * *					
Earthquake	1,510	4		Skandinavia		WORRIED?					
Inland Marine	412,278	228,392		Fire	\$ 825,374	\$ 522,898					
Tornado-Windstorm	234,964	54,257		Ocean Marine	—1,689						
Sprinkler Leakage	9,319	6,726		Motor Vehicle	1,261	474					
Riot and Explosion	12,026	2,131		Earthquake	658						
Aircraft	3,652	6,404		Inland Marine	8,188	5,512					
* * *				Tornado-Windstorm	21,090	4,622					
<b>St. Louis F. &amp; M.</b>				Sprinkler Leakage	905	70					
Fire	\$ 85,107	\$ 26,120		Riot and Explosion	1,957	70					
Motor Vehicle	21,104	2,130		* * *		Is the long, long siege beginning to unnerve you?					
Inland Marine	1,445	141		Richmond, N. Y.		Are you weakening and wondering if perhaps you'd					
Tornado-Windstorm	29,397	1,556		Fire	\$ 1,297,425	\$ 725,307	better lend an ear, after all, to the upstart —isms and				
* * *				Motor Vehicle	29,117	25,230	—ocracies we hear reverberating here and there?				
<b>Homeseekers Fire</b>				Earthquake	4,207	18					
Fire	\$ 14,152	\$ 4,799		Inland Marine	126	54					
Tornado-Windstorm	161	1		Tornado-Windstorm	58,023	11,247					
* * *				Sprinkler Leakage	6,839	356					
<b>General Exchange</b>				Riot and Explosion	4,642	304					
Motor Vehicle	\$ 8,319,653	\$ 5,051,559		Aircraft	152	.....					
* * *				* * *		Stuff and nonsense!					
<b>Empire State</b>											
Fire	\$ 294,254	\$ 174,071		Pearl, N. Y.		There's something about association with an organization like the London Assurance that's mellowing.					
Motor Vehicle	66,389	34,501		Fire	\$ 1,127,492	\$ 367,648	You gain a longer outlook, a wider vision, a sounder viewpoint—unflurried by renegade ideas in swaddling clothes that threaten dire destruction to the order of things. Quite a number of people with alarming notions have raised rabid cries only to pass on, calmly and harmlessly, since we began underwriting insurance and paying losses. The present crop will just as ineffectually disappear.				
Earthquake	214			Motor Vehicle	5,633	4,058					
Tornado-Windstorm	21,191	5,156		Earthquake	7,954	.....					
Sprinkler Leakage	1,341	106		Inland Marine	385	67					
Riot and Explosion	1,517	35		Tornado-Windstorm	36,995	3,523					
* * *				Sprinkler Leakage	114	22					
<b>Providence Washington</b>				Riot and Explosion	7,678	252					
Fire	\$ 3,205,781	\$ 1,985,177		* * *		Meanwhile we continue incurring obligations, making promises, and living up to every one—as we have done for two hundred and thirteen years.					
Ocean Marine	393,736	227,111		North Star		The					
Motor Vehicle	451,205	214,211		Fire	\$ 1,430,991	\$ 935,548	LONDON ASSURANCE				
Inland Marine	340,836	248,348		Motor Vehicle	2,518	4,362	The				
Tornado-Windstorm	129,100	39,249		Earthquake	8,267	.....	MANHATTAN				
Hail	54,442	19,048		Inland Marine	4,031	2,587	Fire and Marine Insurance Company				
Sprinkler Leakage	6,294	814		Tornado-Windstorm	54,052	11,083	ONE-FIFTY WILLIAM STREET				
Riot and Explosion	7,652	344		Sprinkler Leakage	7,297	2,020	NEW YORK				
Aircraft & Motor Vehicle, P. Damage	1,044	803		Riot and Explosion	9,629	1,037					
* * *				Aircraft	391	1,022					
<b>Buffalo</b>				* * *		FREE BOOKLETS!					
Fire	\$ 1,612,182	\$ 899,165		New India		Send for one or more of these free educational booklets on agency practice.					
Ocean Marine	24,464	9,673		Fire	\$ 470,010	\$ 252,274	They are published by this international group of insurance companies in the hope that they will help American Agents to sell more insurance and to better know their business. Just complete this coupon and send it in, now. No obligation, of course.				
Earthquake	3,492			Motor Vehicle	1,138	.....					
Tornado-Windstorm	21,693	4,240		Earthquake	1,301	.....					
* * *				Tornado-Windstorm	14,145	206					
<b>Mercants, Colo.</b>				Sprinkler Leakage	2,600	118					
Fire	\$ 513,076	\$ 254,231		Riot and Explosion	9,203	90					
Motor Vehicle	17,434	13,232		* * *		EVERETT W. NOURSE, United States Manager and President					
Inland Marine	2,130	.....		One-Fifty William Street, New York		NU1					
Tornado-Windstorm	31,188	5,875		Dear Sir:							
Hail	1,626	117		I'd like to have the booklets checked below.							
Sprinkler Leakage	158	1		—The Insurance Survey, A Selling Tool							
Riot and Explosion	807	272		—Credit and Collections							
* * *				—Proper Records							
<b>Kansas City F. &amp; M.</b>				—Prospect and Mailing Lists							
Fire	\$ 85,637	\$ 32,096		—Fire Prevention and the Insurance Agent							
Motor Vehicle	29,040	15,276		—Facts about a Thousand Insurance Agencies							
Inland Marine	19,868	6,153		Name _____							
Tornado-Windstorm	8,222	555		Street _____							
Hail	418	44		City _____							
Riot and Explosion	1,761	495									
* * *											
<b>International, N. Y.</b>											
Fire	\$ 1,900,368	\$ 1,794,087									
Motor Vehicle	13,771	33,921									
Earthquake	6,930										
Inland Marine	1,287	874									
Tornado-Windstorm	88,075	27,383									
Sprinkler Leakage	5,704	3,510									
Riot and Explosion	5,779	353									

California		Agricultural		Baltica	
Net Prems.	Paid Losses	Net Prems.	Paid Losses	Net Prems.	Paid Losses
Fire	\$ 1,375,294	\$ 811,503	Fire	\$ 3,806,248	\$ 2,280,877
Motor Vehicle	98,107	50,357	Ocean Marine	234,854	165,764
Earthquake	3,341		Motor Vehicle	616,075	323,977
Inland Marine	13,421	8,969	Earthquake	2,040	
Tornado-Windstorm	88,439	44,740	Inland Marine	128,904	95,137
Sprinkler Leakage	2,659	809	Tornado-Windstorm	182,987	50,134
Riot and Explosion	2,575	444	Hail	2,663	4,736
* * *					

**Holmberg Named Director**

G. C. Holmberg, treasurer of the Northwestern National Life of Minneapolis, has been elected a director of the Northwestern Fire & Marine of Minneapolis. He also will serve as a member of the finance committee. Mr. Holmberg is well known in life circles because of his activities in the financial section of the American Life Convention, of which group he was secretary in 1929-30 and chairman in 1930-31.

**C. T. Minick**, Sheridan, Wyo., has sold his agency to W. H. Holcomb & Son.

## WORRIED?

Is the long, long siege beginning to unnerve you? Are you weakening and wondering if perhaps you'd better lend an ear, after all, to the upstart —isms and —ocracies we hear reverberating here and there?

## THE NATIONAL UNDERWRITER

Published every Thursday

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and General Manager

JOHN F. WOHLGEMUTH, Secretary

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**MEMBER AUDIT BUREAU OF CIRCULATION**  
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627 Insurance Exchange  
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204 Atlanta National Bank Building  
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### Harding Nomination Popular

THAT the nomination of JOHN C. HARDING, Chicago, of HARDING & LININGER, western managers of the SPRINGFIELD FIRE & MARINE, for director of the insurance division of the UNITED STATES CHAMBER OF COMMERCE, is a popular one, is evinced by the endorsement of his candidacy by the following representative organizations of the country: NATIONAL BOARD OF FIRE UNDERWRITERS, INSURANCE FEDERATION OF AMERICA, ASSOCIATION OF MARINE UNDERWRITERS, NATIONAL ASSOCIATION OF INSURANCE AGENTS, NATIONAL ELECTRIC LIGHT ASSOCIATION, NATIONAL AUTOMOBILE UNDERWRITERS ASSOCIATION, ILLINOIS CHAMBER OF COMMERCE, NATIONAL BUREAU OF CASUALTY & SURETY UNDERWRIT-

ERS, INTERNATIONAL ASSOCIATION OF CASUALTY & SURETY UNDERWRITERS, AMERICAN INSTITUTE OF MARINE UNDERWRITERS, HARTFORD CHAMBER OF COMMERCE, CONNECTICUT CHAMBER OF COMMERCE, FEDERATION OF MUTUAL FIRE INSURANCE COMPANIES, NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES, NATIONAL ASSOCIATION OF AUTOMOTIVE MUTUAL INSURANCE COMPANIES, NATIONAL ASSOCIATION OF MUTUAL INSURANCE COMPANIES, LITTLE ROCK CHAMBER OF COMMERCE, AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS, and the ATLANTA CHAMBER OF COMMERCE.

The U. S. Chamber will hold its annual meeting in Washington, D. C., May 2.

### Jigging in the Field

LIFE, to the field man, has taken on a rosier tinge lately. A blessing has appeared in the form of the jig-saw puzzle. It brightens the lonely hotel room that would otherwise be haunted by the specter of unpaid balances. It relieves the monotony of train rides, for all but

those "softies" who depend on the automobile. From Maine to California, the field men are jigging it. They are exchanging puzzles among themselves. Life in the field is not all moratoriums and balances any more. It is partly jig-saw.

### Have Human Problems to Settle

INSURANCE companies have had many human problems to settle as well as financial and economic ones. With a sharp decline in income together with shrinkage in assets, companies were confronted with a situation of an unusual character. There have been all sorts of adjustments to be made. A management naturally desired to be sympathetic and tolerant with every one connected with the organization.

In most cases there have necessarily been reductions in salaries. Some officers have retained as far as possible all employees at less salary. In some cases

it was necessary to lay off some people. However, each company has met the situation as best it could with a proper regard for the welfare of all interested.

One of the large companies the other day found that its income for 1932 was just about the same as in 1918. Yet its field force is nearly double now and the employees are over a third more than they were in 1918. This therefore shows what a company is carrying in the way of additional expense. The force of 1918 could handle all the work of the present day. It is a question of what course to follow and be humane.

### Danger of Being Solidified

Some persons are inflexible in their opinions. They never change their minds. They seem to think that any alteration of one's opinion or fixed idea that he has formed indicates a weather vane policy. In these days of great flux

and with rapidity of development the man who becomes solidified becomes merely a historical landmark. He has not kept abreast with his own generation and with the onward march of progress.

## PERSONAL SIDE OF BUSINESS

**W. K. Chorn**, 48, former Missouri superintendent and former president of the Missouri State Life, died at his home in Kansas City from heart disease. He was made state department actuary in 1915. Later he served two terms as superintendent of insurance, resigning to accept the presidency of the Missouri State Life.

For the past 14 years Mr. Chorn has been associated with Charles M. Howell in the practice of law in Kansas City, representing reciprocal insurance interests.

**Arthur Waller**, assistant United States manager of the Royal Exchange, was one of the company officials that visited Detroit last week. He stopped in Chicago on his way back to New York.

**Dewitt O. Myatt**, 55, former law clerk and later attorney for the old Kentucky insurance rating board, dropped dead in Louisville, while walking to his office. At the time of his death he was general counsel and director of the Southern Trust Co., which handles loans in Louisville territory for the Metropolitan Life.

**John F. Stafford**, western manager of the Sun, has been laid up for a number of days at his home, 105 East Delaware place, Chicago, and will not be out for 10 days or so.

**O. M. Alfriend**, of T. L. Alfriend & Son, Richmond, Va., local agency, is the third generation of a family identified with the insurance business in that city for 100 years. His grandfather, T. M. Alfriend, started out as a clerk in the offices of the Virginia Fire & Marine in February, 1833, working his way up to the presidency in 1859. O. M. Alfriend's father, T. L. Alfriend, later founded the agency which he is now carrying on with the aid of his sister, Miss Sallie Alfriend, who is associated with him. He has been identified with the agency nearly 40 years.

**C. H. J. Kimball** of Kimball, Gilman & Co., Boston metropolitan managers of the Pennsylvania Fire, died suddenly from a blood clot on the brain.

Mr. Kimball began his insurance career with the old Stearns Brothers agency in Boston, of which he became owner in 1897. From 1900 to 1908 he was a partner in Simpson, Ide & Co. In 1908 he joined A. N. Bruerton as Bruerton & Kimball, as Boston managers of the Hartford Fire. He went into partnership with H. W. Gilman in 1919. He served as president of the Boston Board in 1919 and 1920 and as president of the Boston Protective Department in 1925-1926. At a memorial meeting of the Boston Board, President Fairfield appointed a committee to draw up resolutions on his death.

**Frank Langbehn**, 62, senior member of the general agency of Langbehn & Dell, New Orleans, died there after an illness of three months. He had been in the insurance business in New Orleans for 35 years. Before entering the agency field in 1911 he had been secretary of the old Teutonia.

**W. C. Boorn**, associate general agent in the west for the Hartford, who is spending the winter in San Antonio, is much improved in health. Mr. and Mrs. Boorn are occupying a suite in the Aurora Hotel Apartments. They expect to return to Chicago about the middle of April.

**Howard V. Wheeler**, president of the Wheeler, Kelly & Hagney Trust Co., Wichita, Kan., has his first grandson, Ross Sterling Wheeler, son of Mr. and Mrs. Winston Wheeler. The maternal grandfather is former Governor Ross Sterling of Texas. Winston Wheeler is

vice-president of the Wheeler, Kelly & Hagney Trust Co. and was for several years in charge of the Houston and San Antonio branch offices of the company, where he met Mrs. Wheeler.

Assistant Manager **J. M. Moran** of the Western Factory Association, Chicago, died of pneumonia after only a brief illness. The funeral was Monday. Mr. Moran was a vital force in the association, with which he had been connected since 1919. He started with the O. C. Kemp general agency as office boy 32 years ago, and some years later went with Hosmer & Co. in Chicago and then to the National Union. In 1907 he became connected with the Concordia and later was sent to Milwaukee as agency superintendent for that company. He went on an extended trip to New Mexico in 1915 and then after the war became special agent of the Factory Association. Mr. Moran was well known to agents throughout the central west. He was about 47 years of age.

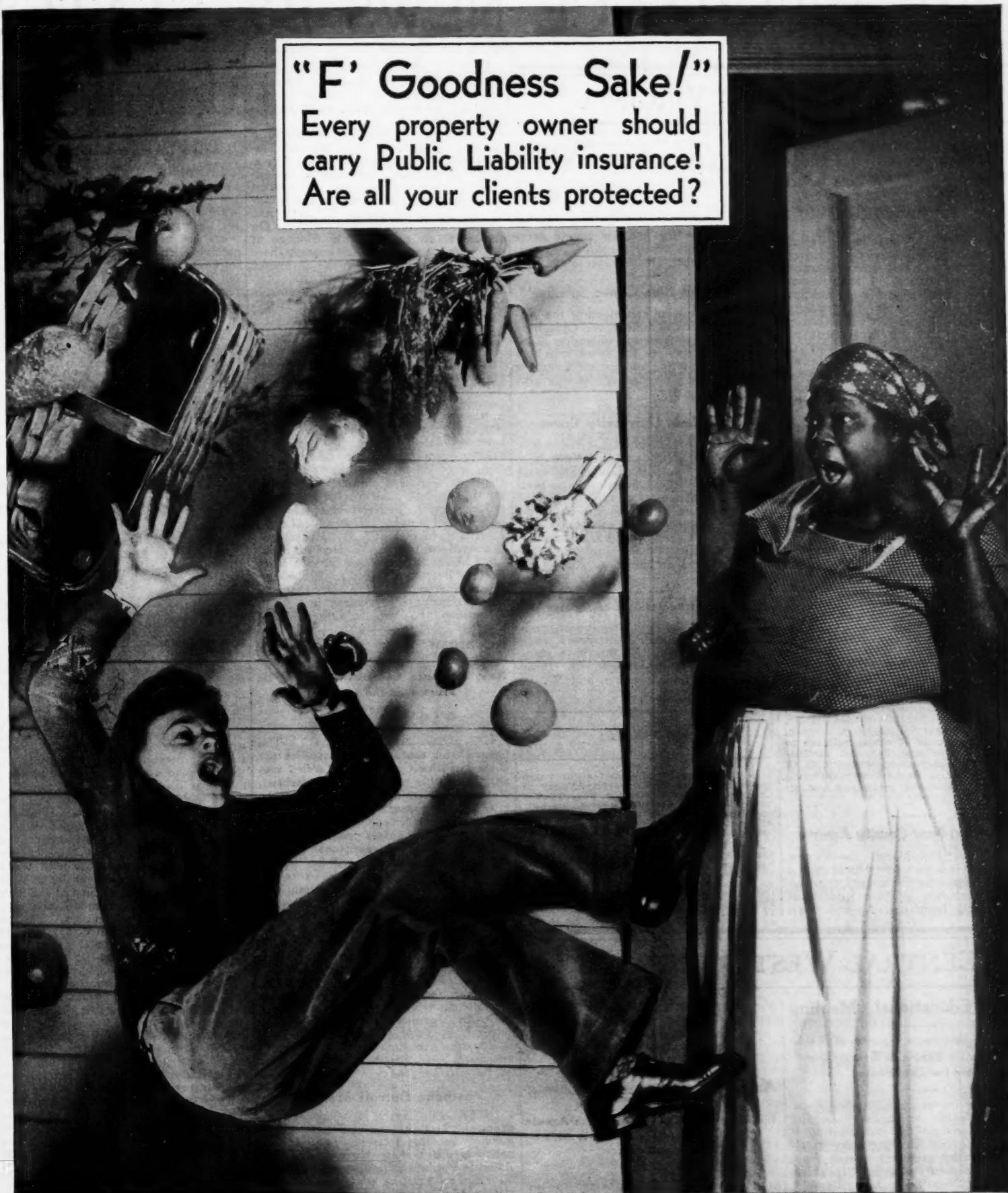
**Robert C. Hosmer**, vice-president of the Excelsior of New York, is now a policyholder in the Aviators Insurance Company of Defiance, O., of which Richard W. Deatrick, age 8, is general manager. After paying his premium of 5 cents for the policy, Mr. Hosmer received the following letter from young Deatrick: "I am glad to have business with such a big insurance man. I hope some day I can be a real insurance man, too. I am going to show the letter to my teacher and to the kids. Yours fair and square."

The young insurance man is the son of J. F. Deatrick, local agent of Defiance.

**C. A. Gough**, deputy insurance commissioner of New Jersey, celebrated the 40th anniversary of his connection with the office Feb. 21. While this record for continuous service was matched by the late H. D. Appleton, first deputy of the New York department, and A. E. Linnell, retired Massachusetts deputy, it is doubtful whether it can be equaled by that of any other department official. Mr. Gough is still going strong. The esteem in which he is held by members of the National Convention of Insurance Commissioners may be inferred from the fact that he is the only deputy commissioner appointed to serve on its various committees, all other members being full-fledged commissioners. In his many years of association with the New Jersey department Mr. Gough has worked under a score of commissioners of various political faiths. The New Jersey agents evidenced their feeling for Deputy Gough by presenting him with a handsome gold mounted cane, the presentation being made on behalf of the New Jersey Association of Underwriters by T. C. Moffatt, a former president.

Some 50 employes and associates of the Evarts-Tremaine-Flicker Co. of Cleveland attended a surprise dinner Monday evening for **John W. Hannon**, president of the agency, in celebration of the silver anniversary of his connection with the office. He was presented a desk set as a token of esteem.

Mr. Hannon went to Cleveland from Pittsburgh March 1, 1908, to become manager of the casualty and surety department of the office. Some years later he became vice-president and upon the death of P. W. Flicker in 1931 he was elected president and treasurer of the agency. He is one of the stalwarts in the insurance business in Cleveland and is held in high regard by his fellow agents. The Evarts-Tremaine-Flicker Co. is one of the largest agencies in Ohio, established more than 50 years ago.



## "F' Goodness Sake!"

Every property owner should  
carry Public Liability insurance!  
Are all your clients protected?

**The AMERICA FORE GROUP of Insurance Companies**

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NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE

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THE FIDELITY AND CASUALTY COMPANY

*New York, N.Y.*

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### Granger Cleveland Speaker

**Fire Chief to Address Insurance Board at Meeting March 15—New Committees Announced**

CLEVELAND, March 1.—Because of the widespread interest in fire department work the Insurance Board of Cleveland is inviting all agents, company representatives, field men and business men interested in fire protection to its meeting March 15. Chief Granger of the Cleveland fire department will speak on "My Association with the Cleveland Fire Department." He will discuss the inquiries into the cause of fires as well as the equipment handicaps of this city. There is a strong movement at this time to improve facilities, which have been sadly neglected because of the lack of financial appropriations. Mr. Granger's record in the face of handicaps has brought widespread recognition. Many agents from nearby cities are expected to hear him, in addition to a large local attendance.

#### New Committees Named

The Cleveland Board has increased its activities considerably the past two years and new committees have been appointed to serve its needs. Following are the committee chairmen just appointed:

Standing committee, A. W. Henry; conference, F. B. Ayer; losses and adjustments, D. L. Murray; forms, J. G. Hale; resolutions, W. E. Richey; building code, clean-up and civic improvement, D. E. Herren; allied organizations, F. B. Ayer; fire department and water protection, C. H. Parsons; advisory, C. W. Davis; office procedure and practice, H. J. Mueller; rules, J. W. Barrett; legislative, W. E. Flickinger; inspection bureau, D. E. Herren; code of ethics relative to loan institutions and financial institutions, H. R. Manchester; publicity, O. G. Strong; program, Herbert Payton; civic affairs, C. H. Parsons; audit and budget, W. I. Keetch.

#### To Name New County Agent

TOLEDO, O., March 1.—A new agent of record for county insurance is to be appointed by the county commissioners to replace William Rundell of the Rundell Insurance Agency. Mr.

Rundell had criticized George Lathrop, president of the board, for a statement in which Lathrop said that it appeared that the agent carried the bulk of county insurance. In his letter Mr. Rundell recounted the saving he had made for the county. He told Mr. Lathrop he did not vote for him for county commissioner but voted for his opponent, Walter Kountz, an insurance man.

### Donovan Blue Goose Speaker

E. L. Donovan, representing the National Board, will address the Ohio Blue Goose at its luncheon in Columbus Monday. That evening the pond will hold a business meeting and initiate a number of candidates. The field clubs will meet the following day.

### Cut Toledo University Cover

TOLEDO, O., March 1.—Reductions in the insurance carried on the new University of Toledo buildings and other properties of the university have been made by the trustees. It was decided to reduce the \$1,000,000 insurance on the new University hall to \$250,000 fire and \$250,000 tornado and eliminate the 90 percent coinsurance clause. Contents of University hall have been insured for \$46,500.

### Made Vice-President of Agency

A. Stotzky has been elected vice-president of the S. Ulmer Insurance Agency Co., of Cleveland. He has been manager of its fire department. S. Ulmer is president and treasurer and W. L. Ulmer, secretary.

### Ohio Notes

**L. D. Booth**, for the past eight years manager of the T. K. Harris Agency at Canton, O., more recently bearing the name of the Laurenson Agency, is now operating an agency of his own. It is known as the L. D. Booth Agency and is located in the Canton building.

**J. T. Billhoff** is moving his agency to the Dixie Terminal in Cincinnati. He has taken the Fidelity & Guaranty Fire of Baltimore. He is assisted by his sons, J. H. and E. B. This agency was established 28 years ago and has been in the First National Bank building for about 17 years.

## CENTRAL WESTERN STATES

### Holds Educational Meeting

**Colehour's Insurance Agency of Rockford Has Its People in Every Quarter for Conference**

Colehour's Insurance Agency of Rockford, Ill., holds an agency meeting every quarter. At the last meeting it discussed the new United States Fidelity & Guaranty premium finance plan. Field men present were H. R. Prince, Northern of New York; H. J. Lambin, Standard of New Jersey; R. V. Haaser, Ohio Farmers, and F. J. Dudley. W. O. Schilling of Chicago, manager United States Fidelity & Guaranty, and I. K. Cruett, its Chicago casualty manager, talked on various liability and compensation contracts.

J. J. Dondore, field man for the Colehour agency, gave a talk. Ernest Gustafson, secretary of the Rockford fire department, explained service calls outside of the city limits for which there

is a charge of \$35 the first hour for each apparatus and \$25 for each succeeding hour. The cost of these calls is covered by a slight additional premium on a policy.

### Arrangements for Meeting

**Illinois Association of Insurance Agents Completes Plans for Next Week's Gathering**

President Rockwood Hosmer of the Illinois Association of Insurance Agents has completed arrangements for the semi-annual meeting to be held next Thursday at the Leland hotel in Springfield. He will preside at the business session. In the morning there will be a general discussion of practical problems and some legislative measures. In the afternoon talks will be given by John J. Hall of the National Bureau of Casualty & Surety Underwriters, E. L. Rickards, manager of the western division

National Automobile Underwriters Conference, and H. H. Rolfe of Chicago, claim superintendent of the Globe Indemnity, who will speak on "Occupational Diseases."

The banquet in the evening will be in honor of Ernest Palmer, insurance superintendent, at which he and Allan I. Wolff of Chicago, chairman of the executive committee National Association of Insurance Agents, will be the speakers. C. M. Cartwright of THE NATIONAL UNDERWRITER will be toastmaster. On the C. & A. train leaving Chicago at 6:50 p. m. next Wednesday evening there will be special cars for the insurance men, including a diner and club car. There will be also special arrangements for returning home on sleepers Thursday night.

### Committee Appointments

President Hosmer of the Illinois association has announced his committee appointments for this year. Hamilton M. Loeb of Chicago has been appointed chairman of the legislative committee to succeed Alvin S. Keys of Springfield and John H. Camlin has been appointed chairman of the public relations committee succeeding J. R. Lennon of Joliet. The other committee chairmen were reappointed, they being R. W. Troxell, chairman of the board of directors; J. M. Newberger, Chicago, budget and finance; Harry J. Leach, Morris, membership; V. G. Musselman, Quincy, local boards; W. Herbert Stewart, Chicago, casualty and surety; Mark I. Hall, Belvidere, farm; A. J. Tenninga, Chicago, grievance; C. J. Montgomery, Rock Island, fire prevention, and A. H. Mauerman, Jr., Danville, automobile.

### Michigan Blue Goose Rally

**New Insurance Commissioner Will Be Present as the Guest of Honor**

LANSING, MICH., March 1.—The program for the annual "splash" of the Michigan Blue Goose here March 7 was announced this week by W. H. Gabriel, National of Hartford, most loyal gander.

The new insurance commissioner, Charles E. Gauss, is scheduled to extend greetings on the dinner program. L. R. Hanawalt, Chicago, assistant western manager of the National, will be "Honkmaster." W. T. Benallack, secretary Michigan Fire & Marine, Detroit, will talk on "The Grand Nest;" C. A. Reekie, vice-president and secretary Detroit Fire & Marine, on "The Old Guard," and C. P. Helliwell, grand wielder, Milwaukee, on "Life Insurance."

Twenty-five years ago the Michigan pond met in Lansing when Mr. Benallack was most loyal gander. He is now the Michigan wielder and is a former most loyal gander. At the meeting in 1908, A. F. Powrie was supervisor, D. W. Andrews, custodian, J. W. O'Brien, guardian, C. A. Reekie, wielder, and H. A. Bartels, keeper.

### Postpone Detroit Meeting

DETROIT, March 1.—The serious problems brought about by the bank holiday, keeping Detroit fire and casualty agents tied to their offices, resulted in the indefinite postponing of the February meeting of the Detroit Association of Insurance Agents. Having paid their agency balances by Feb. 10, the moratorium following immediately afterward embarrassed the agents.

### Recodification Is Advocated

Superintendent Palmer of Illinois appeared before the insurance committee of the Illinois house of representatives and recommended a study of insurance legislation throughout the country with the idea of submitting recodified laws

to the 1935 legislature. A few amendments to the investment laws may be necessary, he said, although nothing is materially wrong with the investment section.

### See Improved Loss Ratio

LANSING, MICH., March 1.—H. B. Corell, deputy commissioner, believes the fire loss ratio for 1932 in Michigan will prove to be considerably lower than for the previous year. While many reports are not yet in, those of the big carriers already filed show a definitely improved experience. Mr. Corell points out that with reduced volume and corresponding release of reserves as business has diminished, the showing on an earned basis will be considerably better. There was a perceptible rise attending the depression, the 1928 and 1929 loss ratios having been 44.27 and 46.01 percent, respectively, as contrasted with 55.24 and 57.16 for 1930 and 1931.

## News of States in the Northwest

### Fund Opposed at Eau Claire

**Business and Professional Men Join Agents to Protest Insuring City with State**

EAU CLAIRE, WIS., March 1.—A large delegation of business and professional men, including fire insurance agents, has asked the city council to reconsider and rescind its recent action in voting to insure all city property in the state insurance fund instead of with stock insurance companies through local agents as has been done in the past. The original action of the council, by a two to one vote, was protested at the time by fire insurance agents. Since then a protesting petition carrying the signatures of a large number of business men was filed with the city council.

The petitioners objected to the state going into private business. If all angles are considered, they argue that the city would not be saving anything by going into the state insurance fund. Another point raised was the promptness with which fire insurance losses might be paid by the state and the possibility of the state insurance fund being wiped out by several big institutional losses. It was brought out during the discussion that the state fund rates are 49 percent less than the rates charged by stock companies, but that this would afford a saving of only \$200 to \$250 a year.

D. J. McDonald, prominent local agent, raised the point that the state did not properly charge against the state fund all the costs which properly belong there. He maintained that stock companies maintained fire inspection services and actuarial bureaus carrying on extensive research work and investigation to determine the basis for rates. The state maintained no such service, he said, but arbitrarily set the state rates at 51 percent of stock company rates.

The council took the matter under advisement.

### Talks on Survey Plan

MINNEAPOLIS, March 1.—R. C. Larson, home office representative of the casualty agency department of the Aetna Life group, addressed the Insurance Club of Minneapolis on "Developing Sales by the Survey Plan" at the annual meeting. He told why agents should be interested in the survey plan, why the assured should be interested, and the mechanics of the survey plan. As a result of a survey, a man can be sold more insur-

# LOYALTY GROUP

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

**\$ 9,397,690.00**

Organized 1855

NEAL BASSETT, Chairman of Board

HENRY M. GRATZ, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE GIRARD FIRE AND MARINE INSURANCE COMPANY

**\$ 1,000,000.00**

Organized 1853

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

**\$ 600,000.00**

Organized 1854

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

**\$ 1,000,000.00**

Organized 1866

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## SUPERIOR FIRE INSURANCE COMPANY

**\$ 1,000,000.00**

Organized 1871

NEAL BASSETT, Chairman of Board

W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

**\$ 1,000,000.00**

Organized 1870

CHARLES L. JACKMAN, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CAPITAL FIRE INSURANCE COMPANY

**\$ 300,000.00**

Organized 1886

CHARLES L. JACKMAN, President NEAL BASSETT, Vice President

## UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

**\$ 100,000.00**

Organized 1905

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## MILWAUKEE MECHANICS' INSURANCE COMPANY

**\$ 2,000,000.00**

Organized 1852

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President  
E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McClure, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY

**\$ 1,000,000.00**

Organized 1874

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President  
E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McClure, 3d Vice Pres.

## COMMERCIAL CASUALTY INSURANCE COMPANY

**\$ 1,000,000.00**

Organized 1909

### WESTERN DEPARTMENT

844 Rush Street, Chicago, Illinois  
HERBERT A. CLARK, Vice President  
H. R. M. SMITH, Vice President  
JAMES SMITH, Secretary

CANADIAN DEPARTMENT  
461-467 Bay St., Toronto, Canada  
MASSIE & RENWICK, Ltd., Managers

220 Bush Street,  
San Francisco, California  
W. W. & E. G. POTTER, 2nd Vice Presidents  
FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT  
912 Commerce St., Dallas, Texas  
OLIN BROOKS, 2d Vice President  
BEN LEE BOYNTON, Res. Vice President  
A. C. MEEKER, Secretary

**LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL**

ance, thereby increasing his premium and at the same time rendering him an appreciated service, Mr. Larson explained.

Officers reelected are: Edward Johnstone, president, W. E. Hardell, vice-president; G. W. Nelson, treasurer, and Carl Newbury, secretary. T. G. Linnell of Enck & Linnell was elected a director for three years.

#### Confer on License Check-up

MADISON, WIS., March 1.—A committee of the Milwaukee Board, including J. G. Grindle, manager; Fred G. Lewis and W. B. Calhoun, conferred with the Wisconsin department on the results of the recent checkup of licenses, which revealed that more than 55 persons in Milwaukee were soliciting insurance without having complied with the license requirements of the Wisconsin law. The board representatives asked reprimands rather than fines in these

cases. Commissioner Mortensen has taken the matter under advisement.

#### Blue Goose Hears Stage Talk

Miss Gladys George, leading lady of the Bainbridge Players of Minneapolis, described her theatrical experiences at the Minnesota Blue Goose meeting Feb. 27. R. L. Hanson, state agent Liverpool & London & Globe, made arrangements for the meeting.

#### Stone Speaks in Minneapolis

Edward C. Stone, United States manager Employers Liability, will address a meeting of insurance men in Minneapolis March 8, sponsored by the Minneapolis Civic & Commerce Association, on "Automobile Financial Responsibility Laws." Members of the Blue Goose, the Insurance Club of Minneapolis and the Minneapolis Underwriters Association are notifying insurance men of St. Paul

as well as Minneapolis of the meeting, and a large attendance is expected.

#### Butts Opens General Agency

Charles F. Butts has opened a general agency in the Plymouth building, Minneapolis, representing the Dixie Fire of the American group. He has been in the insurance business in Minnesota 23 years, with the Providence Washington and the Commercial Union group.

#### Wautoma to Be Rerated

Reclassification of Wautoma, Wis., was requested from the Wisconsin department by a committee of five business men of that city. The Fire Insurance Rating Bureau at Milwaukee has been ordered to rerate the city.

#### Adjusters Hear Dry Cleaner

I. D. Fink of Gross Bros., Minneapolis dry cleaners, addressed the Minnesota Adjusters Club on "Scientific Handling and Restoration of Linens and Other Fabrics Damaged by Smoke" at the February meeting.

#### Northwest Notes

**Roy J. Agen** of the Sunderland, Evans & Agen agency, Superior, Wis., died last week.

The Wisconsin Fire Prevention Association will inspect **Fort Atkinson**, March 9. R. E. Verner of the Western Actuarial Bureau will be the chief speaker.

The South Dakota Fire Prevention Association will inspect Tripp and Kaylor next Wednesday. The following day Parkston and Dimock will be inspected.

Underwriters division of the International Reinsurance and for the Insurance Audit Survey Corporation of St. Louis.

Mr. Hoffmann is president of the new general agency, and Mr. Footman is vice-president and general manager. In addition to representing the companies named above, the firm will represent the Continental Assurance of Chicago for life insurance, and will write accident and health business in the Continental Casualty. It already represented some of the Corroon & Reynolds companies.

Mr. Footman has been manager of the underwriting department of Ely & Hoose the past six months. Before going with the Kansas City Fire & Marine he was Pacific Coast manager for the New York Indemnity, secretary of the California state compensation insurance fund for five years and assistant manager of the Ocean Accident in San Francisco for three years.

F. E. Murphy, formerly with the Massachusetts Bonding, Ocean Accident and the Mann, Barnum & Welsh and McCluer & Wilbur agencies, is underwriter for the new agency.

#### Would Supervise Stock Sales

LINCOLN, NEB., March 1.—Commissioner Herdman's bill to require any insurance company selling stock in other corporations first to get permission from

## Today

Buyers of insurance are demanding the best. Realizing this the Twin City Fire has developed until it is able to serve them completely and satisfactorily in all their insurance problems.

"Writing fire, tornado, farm, automobile, hail, tractor, aeroplane damage, customers' goods, fine arts, fur coats, jewelry, fur floater, parcel post, registered mail, tourists floater, annual transit, trip transit, neon signs, merchandise sold under contract."

## TWIN CITY

Fire Insurance Company

Minneapolis Minnesota

#### Order

## ARGUS CHARTS for 1933

The most comprehensive, low-priced statistical compilations of the fire and casualty business.

published by The National Underwriter Co.

### PROVIDENCE WASHINGTON INSURANCE CO. of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1799

### ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE  
AND THEIR ALLIED LINES  
AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES  
AUTOMOBILE—FULL COVERAGE  
GOLFERS' EQUIPMENT and LIABILITY  
WITH

### MARYLAND CASUALTY COMPANY

INCORPORATED 1852

### VIRGINIA FIRE AND MARINE INSURANCE CO.

Richmond, Va.

Capital \$500,000

FIRE TORNADO  
SPRINKLER LEAKAGE AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

### NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM  
BUSINESS INTERRUPTION INDEMNITY

### Missouri Valley

#### State News

#### Iowa Legislation Reviewed

Anti-discrimination, Agents Qualification and Resident Agent Bills Described to Blue Goose

DES MOINES, March 1.—At the Iowa Blue Goose luncheon Monday Chester E. Ford, past president Iowa Association of Insurance Agents; John Kimball, examiner in the Iowa department, and Thomas Watters, insurance attorney, discussed insurance measures now before the Iowa legislature.

The most important is the anti-rebate and anti-discrimination bill. It is now in a subcommittee of the senate insurance committee. This bill is patterned after the New York law, which gives the insurance department adequate authority to investigate and penalize rebating and discriminatory acts in insurance. The bill has plenty of teeth in it.

The agents qualification bill authorizes the department to refuse to grant licenses where applicants seek license to write personal insurance for business associates or employers. It also gives the commissioner the power to examine the general qualifications of applicants.

The resident agent bill has already passed the house and is now in the senate.

#### New Agency in Kansas City

B. A. Hoffmann and H. E. Footman Form New Firm to Replace Central Insurance Office

KANSAS CITY, MO., March 1.—Briggs A. Hoffmann, vice-president and general manager of Hoffmann, Son & Co., of St. Louis, and Henry E. Footman, for three years state agent of the Kansas City Fire & Marine in Kansas and Missouri, have formed the Hoffmann-Footman Agency, with offices in the Fidelity National Bank building here. The new agency replaces the Central Insurance Office, and will act as general agent for the Independence

Underwriters division of the International Reinsurance and for the Insurance Audit Survey Corporation of St. Louis.

Mr. Hoffmann is president of the new general agency, and Mr. Footman is vice-president and general manager. In addition to representing the companies named above, the firm will represent the Continental Assurance of Chicago for life insurance, and will write accident and health business in the Continental Casualty. It already represented some of the Corroon & Reynolds companies.

Mr. Footman has been manager of the underwriting department of Ely & Hoose the past six months. Before going with the Kansas City Fire & Marine he was Pacific Coast manager for the New York Indemnity, secretary of the California state compensation insurance fund for five years and assistant manager of the Ocean Accident in San Francisco for three years.

F. E. Murphy, formerly with the Massachusetts Bonding, Ocean Accident and the Mann, Barnum & Welsh and McCluer & Wilbur agencies, is underwriter for the new agency.

The most comprehensive, low-priced statistical compilations of the fire and casualty business.

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the state bureau, has been recommended for passage by the senate insurance committee. This will enable him to supervise the sale of stock by mutuals preparing to transform into stock companies, accident companies developing life company auxiliaries and the like.

The committee has also recommended for passage the bill prohibiting fire companies from making lower rates in any community for local units of chain stores, lumber yards and like enterprises than for other property in the same locality. Penalty includes forfeiture of license for agent and company.

Favorable action has been taken on a bill prohibiting any officer or employee of the insurance department from being financially interested in any insurance company or accepting any employment from such company.

### Midwest Adjusting Starts

A. B. England and R. T. Van Horn have opened an adjusting office at 1212 Commerce building, Kansas City, Mo., as the Midwest Adjusting Company. Mr. Van Horn was formerly with the H. K. Van Horn & Son agency in Kansas City and the Firemen's group in the Pacific Coast field. Mr. England has been in the Missouri field for the past 16 years as an independent adjuster. Fire, auto, casualty and inland marine losses will be handled.

### Recommendations for Omaha

OMAHA, NEB., March 1.—Frank Stansberry, head of the Nebraska Inspection Bureau, has filed with the city council a series of recommendations with respect to the operation of the fire department, which has been under vigorous attack because of the handling of recent costly fires. He advises that the council give the superintendent of fire protection a free hand for the future, and place upon him sole responsibility for the department, including the appointment of the fire chief, preferably under civil service rules.

Mr. Stansberry believes the department has sufficient men and equipment to perform its functions properly, and he hopes that steps will be taken to restore the department to its former efficiency.

### Form New Company Agency

KANSAS CITY, MO., March 1.—The Transportation Insurance Agency Company has been organized here with J. N. Walker, formerly manager of the Fort Dearborn's Kansas City office, as president. To date, representation consists of Lloyds of America and the Eureka-Security of Cincinnati. Clarence Curtis is secretary-treasurer.

The same group has organized the Transportation Mutual Casualty, writing truck and bus lines only, which has begun active operation. Arthur Nelson,

former member of the Missouri public service commission, is president. Offices are in the Wall tower building.

### W. F. Maring Resigns

KANSAS CITY, MO., March 1.—Wilbur F. Maring, Jr., secretary of the Insurance Agents Association of Kansas City since January, 1925, has resigned effective April 1. Mr. Maring has made a new connection, which will be announced when his resignation becomes effective. The association has not yet secured a new secretary.

Mr. Maring was formerly chief clerk in the Missouri insurance department. His father is a well known agent at Carthage, Mo.

### Wilson Reynolds' Position

Although Wilson B. Reynolds is devoting more attention than formerly to his position as agent for the Texas Company, he has not discontinued his connection with the Reynolds Brothers general agency of Fremont, Neb. A former article indicated that Mr. Reynolds had terminated his connection with the general agency.

### Adopt "In and Out" Rule

WICHITA, March 1.—The Wichita Insurors adopted the "in and out" rule at the meeting last week, effective today. Following notice of violation, companies will be given two weeks to clear, according to the Wichita rule, which is an amendment to the constitution of the board. It is not thought that many companies will be affected at this time. A similar rule was adopted by the Hutchinson Board in January.

Duane T. Stover, chairman executive committee Kansas Association of Insurance Agents, reported on insurance legislation pending in the Kansas legislature.

### Waterloo Agencies Merge

The agencies of Innes & Hostettler and K. E. Innes & Associates, Waterloo, Ia., are combining. K. E. Innes will be production manager for both agencies and will also continue as vice-president of J. G. Sibert & Co. and McManus-Sibert-Murdoch Co., Sioux City agencies.

### H. B. Brown's Mother Dies

Harry B. Brown of Wichita, special agent for the Northwestern National, is bereaved by the death of his mother, Susan M. Brown, who was one of the pioneer settlers of Kansas, having moved to Harper county in 1880, traveling by ox team and wagon from Wichita.

**Barry Truscott**, vice-president of the Camden, spent last week in Kansas City with T. W. Garrett, Jr., the general agent.

## STATES OF THE SOUTHWEST

### Municipal Fire Insurance

**Texas Bill Authorizes Incorporated Cities to Underwrite Fire Risks Within Limits**

A bill has been introduced in the Texas house authorizing incorporated cities which maintain efficient fire departments to carry fire risks on property situated in the corporate limits and charge premiums, providing for the creation of underwriting associations between the cities, and providing for a lien on the property insured to secure the payment of premiums.

The author states that there exists an alarming concentration of wealth in the hands of the few; that a large portion of such wealth is concentrated in the hands of fire insurance companies; that Texas cities spend large sums to main-

tain fire departments and that fire insurance and prevention should be combined.

A bill (S. B. 254) has been introduced in the Texas legislature by Senator Cousins of Beaumont, which would require every policy to be signed by a local agent in the vicinity of the place where the risk is located. The introduction of the bill was prompted by a few agents, although the Texas Association of Insurance Agents has not taken a position on the question yet.

### Insurance Women Active

The Insurance Women's Club is growing rapidly and the roster now shows close to 40 members. The group is taking an active interest in insurance. At each meeting some prominent insurance man makes an address.

Alphonso Johnson, secretary Dallas Association of Insurance Agents; Owen

## NATIONAL UNION FIRE INSURANCE COMPANY

PITTSBURGH, PA.

### FINANCIAL STATEMENT DECEMBER 31, 1932

ASSETS	
Real Estate .....	\$ 1,014,777.47
*Bonds & Stocks.....	9,694,553.34
Mortgage Loans .....	1,120,440.00
Collateral Loans .....	45,000.00
Cash .....	684,820.25
Premiums in Course of Collection Not Over 90 Days Due.....	950,352.48
Accrued Interest .....	132,699.35
Other Ledger Assets.....	96,514.29
Total Admitted Assets.....	\$13,739,157.18

\*Valuations on basis approved by National Convention of Insurance Commissioners.

LIABILITIES	
Reserve for Losses.....	\$ 1,001,303.69
Reserve for Unearned Premiums.....	6,462,510.05
Reserve for Taxes.....	220,000.00
Contingency Reserve .....	2,575,953.16
Reserve for Other Liabilities.....	548,869.36
Capital .....	\$1,100,000.00
Surplus .....	1,830,520.92
Surplus to Policyholders.....	2,930,520.92
	\$13,739,157.18

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CHICAGO

George, prosecutor on arson cases, and T. Leroy Lane of the accident and health department of the Metropolitan Casualty are some of the speakers who have made addresses. At the next meeting Eric Gamble, well known Dallas insurance man, will speak.

The group is headed by Anagartha Howell, president. Rita Brady is first vice-president, Laura Lotzenhiser, secretary, and Lucy Mae Bowen, treasurer. Miss Bertha Weber has been appointed publicity chairman.

## Investigate Louisiana Methods

W. E. Silliman of Camden, Ark., president Arkansas Association of Insurance Agents; L. R. Martin of Pocahontas, former president and the new manager of the organization, and W. P. Miller of Little Rock made a good will tour through Louisiana, studying the local organization plans there with the idea of adapting such methods as can be applied to the Arkansas work.

## New Move to Halt Drilling

OKLAHOMA CITY, March 1.—A movement has been launched to halt permanently encroachment of oil well derricks in the city. A vote will be sought at the municipal election April 4 on a

city charter amendment to prohibit the council from granting drilling extensions until they had been submitted to public vote, and requiring the mayor to submit every petition for a drilling extension to popular vote, with election costs to be borne by the petitioners.

## Plan Ardmore Regional Meet

OKLAHOMA CITY, March 1.—The executive committee of the Oklahoma Association of Insurers at a meeting Saturday decided to hold a regional meeting at Ardmore between April 1 and 10. Proposed amendments to the Oklahoma insurance laws governing appointment of agents were further discussed. Recommendations received from Commissioner Read as to details of the draft were considered. A further conference with the commissioner will be held this week.

## Rhodes with Floyd West

Floyd West, Dallas general agent, announces the appointment of G. P. (Dusty) Rhodes as special agent in west Texas. Mr. Rhodes was with the Hornberger, Beckman & Co. general agency of San Antonio for 11 years and is very well known in Texas.

## IN THE SOUTHERN STATES

## Hostile Legislation Advanced

Valued Policy Measure and Dwelling  
Coinsurance Bill Reported Favorably  
by Georgia Senate

ATLANTA, March 1.—Despite the concerted efforts of committees from the Georgia Association of Insurance Agents and the Southeastern Underwriters Association, bills calling for the adoption of the valued policy contract in Georgia and the insertion of a coinsurance clause in the dwelling policies were reported favorably by the senate. The fight against the measures will be continued.

## Atlanta Fire Chief Killed

ATLANTA, March 1.—John Terrell, chief of the Atlanta fire department, sustained a skull fracture in a collision Sunday night and died Monday. He had been a fireman for 39 years and became chief two years ago.

## Confer on Losses

Kentucky field men held a conference at Middlesboro, Ky., with agents and officials of Middlesboro, Harlan, Pineville, Corbin, Barbourville and Williamsburg to discuss loss ratios and means of bettering conditions in the southeastern mountain or coal field territory. As a result, these towns will hereafter

use the questionnaire form for fire daily reports.

## Half-Day Sessions in Florida

TAMPA, FLA., March 1.—At the convention of the Florida Local Underwriters Association here March 13-14, there will be only one business session each day, from 9:30 to 1. The afternoons are to be left free for golf and other entertainment, as well as such business calls as may be desired. Committee chairmen for the convention have been named by President Fred Hensley of the local association.

## Withdraws from Bank Agency

The Travelers Fire withdrew from the Atlantic Realty Insurance Agency at Savannah, Ga., when it was called to its attention by the Georgia Association of Insurance Agents and the Savannah local board that this agency would be in violation of the bank agency rule.

## Louisiana Dates Changed

The Louisiana Insurance Society will hold its annual convention in New Orleans April 20-21.

## Tennessee Notes

The Tennessee Fire Prevention Association will inspect Brownsville March 9. R. K. Denby, for 30 years manager of the insurance department of Baldwin Bros., Norfolk, Va., has opened his own agency there.

## PACIFIC COAST AND MOUNTAIN

## Ask Qualification Amendment

Denver Agents Seek Enactment of  
Measure to Discourage Undesirables  
From Entering Insurance

DENVER, March 1.—An amendment to an agents' qualification bill, now before the legislature, will be urged by the Denver Association of Insurance Agents, aiming to insure good faith of solicitors applying for licenses. Herbert Fairall, who declared at the last meeting that the present law is practical and satisfactory if it were enforced, proposed the amendment, saying that if it were made a law it would tend to discourage applicants who did not seriously contem-

plate entering the insurance business. The outstanding feature of the proposed amendment provides for an additional examination fee of \$10 annually. It also requires that the applicant must devote a reasonable amount of time to the insurance business.

## May Revise Vacancy Rule

DENVER, March 1.—Recommendations for revision of the vacancy and unoccupancy rule of the Mountain States Inspection Bureau are now reported under consideration by the managing committee.

A storm of protest from local agents and field men followed adoption of the rule last October. The proposed revision,

it is reported, calls for elimination of the 25 percent reduction in the amount of insurance in the present clause. A charge of 3 cents per \$100 per month is proposed for the issuance of a permit, which must be renewed at the end of six months if more time is desired.

#### Shallcross on Coast Trip

C. F. Shallcross, United States manager of the North British & Mercantile group, left New York City Feb. 26 for an agency trip that will take him as far as the Pacific Coast.

#### New Los Angeles General Agency

The Meadors & Mays general agency has been organized in Los Angeles. It is composed of Max Meadors, former southern California manager for Wentz & Erlin, and John G. Mays, formerly an executive of the Norwich Union Indem-

nity, Phoenix Indemnity and Royal Indemnity and more recently vice-president of the W. S. Mays general agency of New York.

#### Talks on Building Costs

DENVER, March 1.—Construction cost of the average dwelling house is 35 percent less than in 1929, Paul Deeds of the Fire Companies Adjustment Bureau told the Denver Association of Insurance Agents. Mansions and large individual homes now cost practically as much as in the former period, due to the let-down in industry and the consequent lack of preparation for this class of production, he said. Fireproof office buildings can now be erected for 15 to 25 percent less than in the late '20s.

#### Legislation Los Angeles Topic

LOS ANGELES, March 1.—Dr. Wallace Dodge, chief surgeon of the Los

Angeles receiving hospital, spoke at the February meeting of the Insurance Exchange of Los Angeles on the work of the hospital.

Legislative matters were considered at the business session. S. L. Carpenter, Jr., of Rue & Sons spoke on workmen's compensation measures and W. H. Menn, president California Association of Insurance Agents, discussed "gyp" automobile club and agency qualification bills.

#### Pacific Coast Notes

Jack Densham, marine editor San Francisco "Chronicle," spoke to the San Francisco Blue Goose on "Adventures of a Maritime Reporter."

The Springfield Fire & Marine's Los Angeles office has been moved to larger quarters at 1117 Bank of America building.

W. W. Smith, Calipatria, Cal., has purchased interest of M. A. Clouse in the Clouse & Smith agency, which is now

located in the Security-First National Bank building.

A. E. Campbell, well-known Pacific Coast adjuster, has resigned as vice-president of Frank Allyn, Inc., and has established his own office as an independent adjuster at 603 Marion building, Seattle.

The Ramsey & La Force agency has been formed at Los Angeles by E. J. Ramsey, former manager Ben C. Charles & Co., and W. B. LaForce, formerly with the Los Angeles branch office of Cravens, Dargan & Co. Offices are in the Corporation building.

W. R. Beckstead, president and general manager of the United Bond & Finance Corporation of Salt Lake City, has been named president of the Ashton Jenkins Company, succeeding E. E. Jenkins. Mr. Beckstead recently purchased an interest in the general agency.

The Wallace Phipps General Agency of San Francisco and Los Angeles is moving its San Francisco offices to larger quarters on the ground floor of the Insurance Exchange building. F. M. Phipps is president and A. G. Wallace, vice-president. They have built up a splendid business in California.

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## Qualification Act Expected to Pass

(CONTINUED FROM PAGE 5)

ecutive committee reported a membership of 404, a slight gain, several local boards having been formed the past six months. Mr. Hurtzig emphasized what had previously been said by President Livingston as to the need for reducing the accident frequency by aiding in road safety campaigns, and likewise urged vigorous support for the agency qualification bill, which has been approved by W. H. Bennett, secretary National Association of Insurance Agents.

### Chairman Godshall Reports

In his report as legislative committee chairman, H. L. Godshall said of the 386 bills presented by New Jersey law makers since the beginning of the year, 16 had a bearing on insurance. He described these briefly, together with the recommendations of the committee.

While attendance was not up to that of former gatherings, there was yet a goodly number of members on hand, all of whom paid close attention to the reports and the discussions centering about them. Visitors included President W. M. Gildersleeve, of the New York association; John Payne, president Philadelphia association and W. J. Chase, Philadelphia, of the National Association of Insurance Agents committee on branch offices. Mr. Gildersleeve said the problems of the New Jersey men do not differ materially from those experienced in his state and invited the New Jersey agents to attend the New York association's meeting in New York City next May. Mr. Chase assailed branch offices, asserting that they are unfair competition to the agents.

Speakers following the luncheon included C. A. Gough, deputy insurance commissioner; A. R. Lawrence, special deputy in charge of compensation business, and L. A. Watson, rating officer. Preceding the introduction of Mr. Gough, President Livingston presented the former presidents in attendance: W. Dickinson, Trenton; F. J. Cox, Perth Amboy; T. C. Moffatt, Newark; T. Cocker, Paterson; H. L. Godshall, F. Hickman, Atlantic City, and Harvey Nelson, Jersey City.

### Gough Notes Changes

Mr. Gough referred to his long connection with the insurance department, which he first entered in 1893, noted some of the important changes that had taken place in the business.

Mr. Lawrence spoke upon conditions in the compensation field. He noted the steady increase in losses and the difficulties encountered by the companies in getting state departments to approve adequate rates. As a solution to the situation, Mr. Lawrence suggested stock and the non-stock carriers compose their rate differences, so that two schedules of rates would not be submitted as now to the confusion of state officers; that employers be educated as to their responsibility in dealing with claims, and it be made clear to them that the rate structure is based upon the claim record.

### Decided Progress Since 1913

Mr. Watson told of the progress in New Jersey since the passage of its anti-discrimination law in 1913, premiums having increased 266 percent. While there were 3,000 licensed agents in 1913, with a like number of brokers; today the agents number 14,000 and the brokers close to 6,000. Mr. Watson declared the business "in sounder condition today than ever before." The cooperation of the local men, Mr. Watson added, is needed today "particularly in obtaining rate increases on unprofitable classes and in the honest application of association schedules and governing rules. While the fire business in New Jersey has fallen off substantially within the past three years, and agents have had

many difficulties to contend with, the average association member has faith in the future of his country and of the insurance work with which he is identified.

## Texas Department Detects Evil Fire Rate Practices

(CONTINUED FROM PAGE 4)

ing policies on fireproof and/or sprinklered classes written prior to Dec. 15, 1932, with the 80 percent coinsurance clause, that they request the removal of the coinsurance clause for a few days and then ask that it be reattached at the increased credit of 30 percent instead of 10 percent. We find other agents suggesting to their policyholders that they, the agents, be permitted to cancel the policies pro rata and rewrite them for a full term in view of an anticipated loss of a fire record credit, or the imposition of a higher penalty. Hazards should never be created nor should policies be canceled pro rata merely for the sole and obvious purpose of indirectly taking advantage of a lower rate that could not be obtained directly. In other words, the spirit as well as the letter of the rules of the general basis schedules should be observed.

### Practice Is Unfair

"This department is especially desirous that the citizens of this state procure their insurance protection at as low cost as possible without impairing the solvency of the carriers, and every effort is bent in that direction. Such practices as outlined above, however, do not bring about a lower insurance cost over all, but they merely give to some one individual an advantage over his neighbor or his competitor that he ought not to enjoy, and in addition distort statistics and prevent the uniform application of rates.

"In the future we shall expect you to be responsible for the correct application of rates to your policies and to discourage the use of subterfuges. You will be held accountable, together with your agents, for violations.

"The business of insurance, like most others, is on trial for its existence in these perilous times. It is clearly to be seen, now as never before, that business efforts which proceed from principles that are fundamentally sound and practices that are unmistakably ethical will yield the most satisfactory results. On the contrary, unethical and unsound practices react unfavorably. The quicker 100 percent of the insurance companies and agents recognize the wisdom of this principle—instead of 90 percent of them—the sooner better conditions will arrive in the insurance business and the better the insuring public will be served.

"We realize that it is impossible to legislate 'good faith.' The fire insurance business is now a highly respected one, and we sincerely trust that you will lend your whole-hearted efforts in not only maintaining its position but in elevating it to a still higher level."

### Bars Unlicensed Advertising

BOSTON, March 1.—After several years of effort the Massachusetts department has succeeded in putting through a law prohibiting advertising in this state by any foreign insurance company or fraternal not licensed in Massachusetts.

The law took effect immediately. Commissioner M. L. Brown, quoting the law, has called the attention of newspapers, periodicals and managers of local radio stations to its provisions, which prohibit advertising in newspapers and magazines printed in the state, or over the radio on broadcasts which originate in local stations.

The South Atlantic Steamship Co. of Paris, owners of the liner "Atlantique," which burned in the English channel short time ago, officially abandoned the wreck to the 72 interested insurance companies and demanded payment of \$6,800,000, the amount claimed as damages.

Established 1923

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KANSAS CITY  
NEW YORK  
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EMPLOYERS  
REINSURANCE  
CORPORATION

E. G. TRIMBLE, President

# The National Underwriter

March 2, 1933

CASUALTY AND SURETY SECTION

Page Twenty-five

## New Compensation Rules Enforced

**Big Company to Cut Writings in This Important Line Fifty Percent**

### DRASTIC STEPS ADOPTED

**Small Risks Are Eschewed—Globe Indemnity Also Announces Program of Curtailment**

NEW YORK, March 1.—One of the large casualty companies, which proposes in 1933 to cut its compensation writing in half, recently addressed a communication to its general agents and branch managers, setting forth six underwriting policies that will be pursued. At first, the rules may seem drastic, but they are probably no more drastic than those being followed by many other companies today.

This company states that no compensation business should be accepted by a branch office or general agent from any representative of any other company or broker trying to place a line on account of the previous carrier's nonacceptance, nor from any agent of the company, unless his general production in other lines is profitable.

#### Small Risks Eschewed

No small risk will be taken unless the premium is at least 100 percent more than the minimum premium, except in private residences. No compensation will be taken for contracting business when the premium is less than \$250 and on roads and streets, sewer and railroad construction no business will be taken unless the premium is at least \$500 and the company gets the contract bond.

Every new risk must be accompanied by a new risk memorandum, filled out completely. Risks will be turned down unless an equal amount of premium in other lines is received from the same assured. If the assured has other business in other companies, a statement must be made to the company in question that it will get this other business at expiration, which will not be later than six months.

No equity rating will be allowed.

Renewals will be scrutinized most carefully.

The home office will cancel direct any risk where the instructions are not complied with.

#### GLOBE IS CUTTING DOWN

In his annual summary of the year's operations, including observations on the business as a whole, President A. Duncan Reid of the Globe Indemnity states that his company's policy is to continue writing workmen's compensation only for those producers who merit the accommodation because of the profit that

(CONTINUED ON PAGE 30)

## Compensation Situation Is Reviewed by Roeber

NEW YORK, March 1.—Compensation developments were outlined in a paper by W. F. Roeber, general manager National Council on Compensation Insurance, at the American Statistical Association's meeting here. Mr. Roeber was absent; his paper was read by another. He said it is hard to get up-to-date figures on compensation business because final experience on policies is not available until after they have expired and "this lag between the most recent experience available and the period for which revised rates are contemplated is particularly important at a time like the present, when violent changes in the general economic structure must necessarily affect every line of endeavor."

Premiums, which are being based on pay-rolls, obviously have shown a reduction, but due to the minimum and maximum benefit limits provided in practically all compensation state laws, the losses have not shown a corresponding reduction.

#### More Compensation Than Wages

"In some states," said Mr. Roeber, "due to the provisions of the law for determining the basis of compensation payments, it is possible at the present time for an injured workman to secure more from compensation than from complete wages earned by working. There is a natural tendency in times of depression for the duration of disability to be extended to the limit and for the severity of the injury to be unduly emphasized. Accompanying these influences there is also a tendency to reopen old claims which have previously been closed.

"Sound business principles require that the carriers must collect sufficient premium to pay the losses incurred and reasonable expenses of conducting the business. Therefore, the effect of falling wage scales is a factor which must be given serious consideration in compensation rates which will apply during a period of depressed wage scales."

#### Accident Frequency Increases

In addition to the other increases in losses, the accident frequency has been increased during the depression due to mental obstacles. Working men have worried over the uncertainty of their jobs and neglected to secure proper medical and dental service because of their decreased earnings.

Another aspect of the compensation problem pointed out by Mr. Roeber is the steady increase in medical and hospital cost, which has received added impetus during the depression. He outlined the following conditions which are particularly accentuated in times like the present.

#### Give Unnecessary Treatments

"(1) A tendency on the part of doctors to give unnecessary treatments, and to increase the charges on compensation cases in an effort to offset the increasing frequency of unpaid bills from private practice.

"(2) A tendency in hospitalization cases to increase the period of conva-

lence in excess of actual needs, and to provide for compensation cases accommodations not usually offered to private cases.

"(3) An increased application to compensation cases of x-ray examinations, physio-therapy treatments and other treatments which are not ordinarily employed in non-compensation cases.

#### Injured Prolong Disability

"(4) A natural tendency on the part of an injured workman in a period of depression to prolong disability, and hence increase medical cost.

"(5) A tendency for fraudulent claims to increase in times of depression."

Occupational diseases are causing great uneasiness and concern to compensation companies. In the states where occupational diseases are under the provisions of the compensation laws, there has been an alarming increase in number of claims in recent months.

#### Possibilities Considered

"Many occupational diseases require a period of incubation," said Mr. Roeber. "Perhaps the reported increase in the number of occupational disease cases is due to the passing of this period and the disease is now becoming active. If such be the case, there does not seem to be any conclusion other than that the condition which has developed within recent months will, in the future, be the normal expectancy. It is also possible that the violent increase in the number of claims is another result of the present economic situation. Whatever the cause, it is evident that the occupational disease question is one which requires most careful underwriting on the part of the carriers in the selection of risks. An attempt has recently been made to recognize the importance of the occupational disease question by providing a charge in the manual rates for this hazard. However, in view of recent developments

(CONTINUED ON PAGE 31)

## Administration Change Aid to Bond Business

The surety bond business will be given a decided impetus by the incoming Democratic administration. It will be the greatest change in federal office holders since 1921. There are over 120,000 federal employees who do not come under the civil service, many of whom must be bonded. There will be approximately 2,000 new postmasters appointed after March 4, all of whom will have to furnish bonds. Bonds are also required of collectors of customs and internal revenue. Local agents are lining up the prospective appointees in their territory now. In cases of bonds on federal employees, the blank forms which must be used are furnished by the government.

## Greater Morbidity May Be Expected

**Medical Man Comments on Degenerative Diseases Before New York City Group**

### MAKES RECOMMENDATION

**Accident & Health Club Urged to Require Examinations After Age 45, Periodical Tests**

NEW YORK, March 1.—Predicting an increase in morbidity in the next few years because of economic conditions, Dr. Joseph Altman, examining physician, told members of the New York City Accident & Health club that medical examination should be required for issuance of accident and health contracts at ages 45 and over. He said it might be profitable to offer or insist on periodical examinations of the assured after age 45, when there is danger of changes in the heart, in the vascular system and kidneys.

#### Degenerative Diseases Increase

"According to health department records," he said, "there has been a marked increase in this city in the past few years of deaths from heart disease, diabetes, Bright's disease and cancer. The occupational habits of an individual may be responsible for physical symptoms or signs which may be taken into consideration rather than statistical calculations that have been followed."

"I feel that the applicant will be more frank with a doctor than with an insurance agent. The doctor is capable of asking the proper questions and drawing proper conclusions in accordance with the answers given. Furthermore, agents are very much interested in obtaining the insurance contract and may only take into consideration their practical advantages and not base their measure of the individual on the psychological or purely scientific point of view."

#### Results So Far Incomplete

"The favorable results of the companies obtained up to this time are quite incomplete and should not be generalized because there has been a striking decrease in the morbidity and mortality of the total population of the United States in the past few years."

"I believe that companies should foster more conferences between examiners and attending physicians because the attending physician looks at the investigator or adjuster with a suspicious eye and is fearful of freely discussing the case with him. The attending physician will, so to speak, 'open up' to another physician because there is a professional bond."

Dr. Altman gave a number of useful medical hints for underwriters. It is a common error of examining physicians to

(CONTINUED ON PAGE 31)

## Sommers Tells of Changes in Company Field Policy

### MORE RESTRICTION IS SEEN

**Ohio Casualty Chicago Manager Declares Agents Should Do the Underwriting at the Source**

Byron Sommers, Chicago manager of the Ohio Casualty, in commenting on the present situation, in his company's publication, says that with the withdrawal of a number of companies from the field and restraints of all kinds adopted, agents are seeking those institutions of unquestioned financial strength and conservative management. There have been many restrictive measures adopted by companies until selection and not volume is being insisted on. Owing to many large fleets written at reduced rates being cut off Mr. Sommers believes that a more favorable loss ratio will be found on automobile liability and property damage when the returns are in. On plate glass, especially in the larger metropolitan areas, it has been necessary to restrict writings to the better neighborhoods.

#### More Thorough Inspection Made

There is a more thorough inspection of risks before liability is assumed. He said that generally companies are now insisting that a split plate endorsement apply to any plate in excess of 100 square feet. There is a more comprehensive investigation of past experience on these lines.

He declares that owners, landlords and tenants' coverage is subjected to the searchlight before taken. There is a periodic checkup by engineers. Mr. Sommers said that neighborhoods that have produced a high loss frequency are being placed on the prohibited list.

In the burglary department there has been a general tightening up all along the line. Some classifications have been placed on the prohibited list of almost every company. Neighborhood loss frequency is being studied. The agents are being notified as to the results of the surveys and then each agent can answer his own question as to the desirability of interior holdup risks in various localities. Most companies, Mr. Sommers finds, found it advisable to accept interior and exterior holdup only when it can be definitely determined that there have been no previous losses and no past loss frequency.

#### Watching the Contractors

In the fidelity field Mr. Sommers says the underwriters are alert to existing conditions. Men of integrity and unquestioned reputation have been involved in crashes involving acts of dishonesty and the surety company has been called on to pay the loss. Therefore each individual or schedule risk is subject to a very thorough investigation.

Speaking of contract bond underwriting Mr. Sommers said that the financial statement and application must meet with exacting requirements without any element of doubt. The agent has access to local records and has personal knowledge of the contractor's ability to carry on.

Mr. Sommers stresses the responsibility of the agent and appeals to him to exercise care in selection of risks. Mr. Sommers says:

"Volume means nothing today to the company, unless an underwriting profit can be realized on that business. In turn, a profit from underwriting operations indicates to the agent, and to the policyholder, the absolute application of sound policies of administration which alone will keep the company in a strong position. To achieve the results so vital to agent and company today—the company depends upon the continued cooperation of the agency field in eliminating the more hazardous coverages."

## NEWS OF THE COMPANIES

### Operations of Year Given

#### Iowa Mutual Liability Organization Gave Good Account of Itself on 1932 Record

The Iowa Mutual Liability and its running mate, the Preferred Class Mutual of Cedar Rapids, Ia., have issued their annual statement. The Iowa Mutual shows assets \$656,762, of which \$83,233 is cash, \$25,342 bonds, \$85,890 mortgage loans. Its claim reserve is \$207,431, premium reserve \$291,443, contingency reserve \$20,000, net surplus \$108,333. The total net surplus of the combined companies is \$228,556 as compared with \$223,332 the year before. The total reserves are \$722,078.

The Preferred Class Mutual shows assets \$293,871, of which \$48,943 is cash, \$132,012 bonds, \$71,138 first mortgage loans. Its claim reserve is \$50,966, premium reserve \$75,195, contingency reserve \$45,000 and net surplus \$120,222. The catastrophe or excess losses are reinsured with authorized companies of large proportions. In addition to the excess and specific reinsurance, a part of each automobile risk written in the Iowa Mutual is reinsured by the Preferred Class Mutual.

#### Other Interesting Items

The premiums were 7.96 less than in 1928, largely caused by shrinkage in payroll audits on compensation risks. The combined investment income was \$40,072. The gross losses last year were 11 percent less than in 1931. Both companies improved their financial condition last year. The cash position of the companies has enabled them to present always a liquid statement. Of the bonds 13 percent are railroad, 71 percent utility, 16 percent industrial and miscellaneous. Less than 1½ percent are in default. During 1932 the companies issued 44,128 policies.

As a special service to agents, the companies maintain nine field men, two payroll auditors, one safety engineer and 10 claim adjusters. The companies have followed the policy of putting up ample reserves to meet all deferred liabilities. During the last five years the organization has paid out \$1,987,829 in claims, numbering 45,000.

#### Service Men Employed

A large part of the business is written in Iowa and Illinois. The companies also operate in Minnesota and it is stated that plans are now being made to enter additional territory. The companies operate on the agency plan. The organization has made it a point to extend every possible service to agents and policyholders.

Harry L. Nehls, the secretary, has just issued his annual report saying that it has been the subject of favorable comment by those who have made a special study of it. The Chicago branch office has just moved to new quarters at A-1912 Insurance Exchange. L. L. Andres is the Chicago manager and J. S. Chiedo is underwriter in the Chicago office.

#### Western & Southern Group Moves to Larger Quarters

CINCINNATI, March 1.—The Western & Southern Indemnity and Western & Southern Fire have moved to the Morgan building, 716 Sycamore street. This building is owned by the Western & Southern Life. The new location gives ample space for the present and additional space in the same building for expansion. The present offices occupy about 20,000 square feet on the first floor of the Morgan building which occu-

pies an entire quarter block. On the same floor is located the agency plant of the Western & Southern in Cincinnati.

This move on the part of the Western & Southern Indemnity was necessitated by constant expansion of its business. Within the past year the company has added four casualty special agents and one fire special. The casualty specials cover Indiana, Illinois and Michigan and the fire special operates in Ohio. The company has had also a large increase in agency representation the past year. Its assets on the Dec. 31 market value basis were \$2,701,226 and surplus to policyholders, including capital stock of \$500,000, totaled \$1,506,656 measured by the market values of securities on Dec. 31, 1932.

The Western & Southern Indemnity is paying its obligations in cash in Michigan and in Ohio cities where the banks are closed.

#### Central Surety Report

The Central Surety of Kansas City in its annual statement reports assets of \$4,159,224, including cash, \$398,558; U. S. government bonds, \$354,030; state and municipal bonds, \$1,646,774; railroad bonds, \$313,129; public utility and industrial bonds, \$56,687; first mortgage loans, \$709,109, and premiums in course of collection, \$570,208.

The premium reserve amounts to \$994,238 and loss reserve, \$1,104,674. The capital is \$1,000,000 and net surplus, \$602,894.

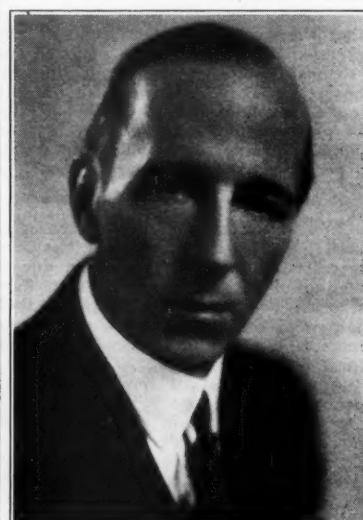
The net premiums written amounted to \$2,736,819, an increase of \$93,196. Reserves were increased \$101,176.

#### Annual Meeting Postponed

The annual meeting of stockholders of International Reinsurance, which was to have been held last week in Los Angeles, was adjourned to April 18. The stockholders were informed that President Carl Hansen had been called east and asked for adjournment so that he might be present.

**Citizens Cas., N. Y.**—Assets, \$1,296,016; unearned prem., \$184,313; loss res., \$25, (CONTINUED ON PAGE 28)

#### Will Speak



WALTER E. KRAFFT

Walter E. Krafft, secretary of the Continental Casualty in charge of the surety department, will give the lecture in the Continental Casualty series in the Chicago Board auditorium March 7. He will speak on some of the phases of fidelity and surety bonds.

#### N. J. Deputy Denies Charge Compensation Unobtainable

#### ADDRESSES UNDERWRITERS

**Lawrence Tells of Insignificant Response to Questionnaire Sent Out on Workmen's Compensation**

The hollowness of the complaint made by a number of labor employers of New Jersey a year or more ago, that they were unable to secure workmen's compensation coverage from companies operating in the state, was made clear by A. R. Lawrence, special deputy of the insurance department, in his talk before the New Jersey Association of Underwriters at Trenton.

When blanks calling for particulars were sent to the 137 individuals and corporations who alleged inability to secure indemnity, responses were received from but 22, and these were of the smaller type of risk, the aggregate premium involved being but \$10,000.

#### Partial Losses Increase

Noting the steady trend of increased losses in compensation, Mr. Lawrence said there had been a marked advance in the number of partial loss payments in his state, due to causes familiar to all students of the business. In the past six years the rate level in New Jersey increased 70 percent; two-thirds of it having been effected within the past two years.

Unless the scale of compensation benefits can be reduced, Mr. Lawrence held, rates must continue to advance. New Jersey has had a more severe experience in the payment of occupational benefits than any other state, although the laws of many states are similar to that of New Jersey.

#### Several Measures Pending

Several measures are pending in the New Jersey legislature, enactment of which should benefit the compensation business. One provides that in event of insolvency of an assured, payment of the earned premium would be a preferred claim after wages.

The need for full premium collections was made clear by Mr. Lawrence, who stated that all rates were predicated upon the assumption that premiums charged would be collected, and any default in this respect obviously would throw the rate charge out of balance and require increased figures; a procedure manifestly unfair to honest assureds.

#### U. S. F. & G. Coast Meeting

LOS ANGELES, March 1.—H. C. Gillespie, Los Angeles branch manager United States Fidelity & Guaranty, presided at the agency conference of that company and the Fidelity & Guaranty Fire, attended by a delegation of home office executives and nearly 100 agents from southern California and Arizona.

J. E. Matthai, vice-president U. S. F. & G.; F. A. Gantert, president Fidelity & Guaranty Fire, and Guy A. Inman, Pacific Coast manager, were on the program, in addition to a number of local and special agents and department heads. Banquet features were addresses on insurance conditions throughout the country by R. Howard Bland, chairman of the board of the U. S. F. & G., and Philip A. Lee, agency director.

#### Army Man Des Moines Speaker

DES MOINES, March 1.—At Monday's meeting of the Casualty & Surety Club of Des Moines, Maj. H. H. Polk, regular army man in charge of reserve officers for this district, spoke on the causes of war and how nations start conflicts. He dwelt at length on the Japanese-Chinese conflict, especially in relation to Americans living in the Far East.

March 2, 1933

## Compensation Rate Raises Granted for Three States

### FULL AMOUNT IN VIRGINIA

**Increases in Kansas and Massachusetts Less Than Companies Originally Requested**

TOPEKA, KAN., March 1.—Commissioner Hobbs has authorized an average increase of 13.4 percent in Kansas workmen's compensation rates, effective as of Feb. 15.

The companies sought an increase of 35.9 percent, reporting that in 1931 the underwriting loss was over \$300,000 and that not since 1921 has there been an underwriting profit shown on Kansas business. In their application the companies proposed decreases in rates only for painting and decorating and electric light and power plants. Every other rate was to be increased.

In the new scale promulgated by the insurance department no changes in rates were allowed for brick and clay products manufacturing, auditors and accountants, churches, Y. M. C. A. and Y. W. C. A. and schools and colleges. The following decreases were allowed: Electric light and power, 21.8 percent; painting and decorating, 44.5; printing, 3.8; newspaper publishing, 3.8; commercial chauffeurs, 0.8; taxicab drivers and attendants, 0.8; oil and gas distributing, 0.8; news agencies and distributing, 0.8.

### MASSACHUSETTS GRANTS INCREASE

BOSTON, March 1.—Commissioner M. L. Brown has approved formally an increase of approximately 8 percent in workmen's compensation rates for Massachusetts, asked for by the carriers. The companies recently asked an increase of 14.7 percent, which was refused.

The increase granted applies to certain classifications, while increases in some classifications desired have been held up pending further study. Decreases were suggested and allowed in some few classifications.

### VIRGINIA INCREASE ALLOWED

RICHMOND, March 1.—The Virginia corporation commission has ordered an average increase in workmen's compensation rate of 7.2 percent, effective March 1. The increase was ordered following a number of hearings, at which the companies showed they were losing money writing business at the prevailing rates. It was the second advance authorized by the commission within a year, an increase of 18.8 percent having been granted last April.

### Leslie Addresses Session of American Statistical Group

At the meeting of the American Statistical Association in New York City, William Leslie, associate general manager National Bureau of Casualty & Surety Underwriters, dealt principally with automobile liability, pointing out that although class "W" rates are much higher than they were a few years ago, due to increased power of cars and to other factors, rates on the larger cars are actually lower than in 1922.

He also discussed the use of punch-card recording, its advantages and drawbacks. He said the bureau uses the punch-card system only for burglary insurance. In other lines it would involve great complications because of the diversity of systems used by various companies. Mr. Leslie commented on the change in the relative severity of losses from bank burglaries and bank robberies, saying that the decrease in the number of banks left fewer to pay the premiums but that this did not decrease the number of crimes that would happen, since the latter are planned and not casual.

## On the Wing



JOHN J. HALL

J. J. Hall, director of the street and highway safety division of the National Bureau of Casualty & Surety Underwriters will spend about ten days in the central west speaking before legislative and other bodies in advocacy of standard drivers' license bills and other measures governing motoring. He is on the program of the meeting of the Illinois Association of Insurance Agents at Springfield March 9.

### Dangerous Illinois Bills Reported Out for Passage

Several bills considered by insurance men to be unusually dangerous have been reported favorably out of committees of the Illinois legislature. Two recommended by the house judiciary committee would give jurisdiction in personal injury cases to lower courts, opening the way, insurance men believe, to a flood of small claims. One would give such jurisdiction to justices of the peace up to \$500 and the other would give jurisdiction up to \$2,000 to county courts. The Illinois Insurance Federation believes these bills if passed materially would affect the bringing of damage suits, precipitating a tendency to speedy settlement and inducing many plaintiffs to file small suits. There also probably would be a material increase in the cost to companies in defense.

### Would Bar Race Discrimination

Another bill recommended by the house judiciary committee calls for revocation of charter of any company discriminating against any citizen because of race, color or creed. This is considered to be unconstitutional as it would abridge the right of contract, but was reported favorably by the house judiciary committee. It would forbid companies, for instance, to refuse to insure Negroes, Chinese or other races not generally written in this country by most companies.

### Negotiate for Company

KANSAS CITY, MO., March 1.—The Transportation Underwriters Corporation, securities corporation chartered about a month ago to finance insurance companies and agencies, is negotiating for the purchase of a life company which it will actively develop as a life and accident and health company. The company, which has \$510,000 capital, is headed by T. C. Chambers. H. F. David, vice-president and general manager, formerly was president of the Indemnity of America, and has been with the Hoffmann, Son & Co. agency of St. Louis for the past two years. Offices are in the Walltower building.

## Seek to Get Increase in Rates on Virginia Classes

### BANKERS BOND ISSUE IS UP

**Public Official Business Has Shown a High Loss Ratio in Old Dominion State**

RICHMOND, VA., March 1.—Hearing on a proposal of companies writing bankers fidelity and depository bonds in Virginia to increase rates so that they may be on a parity with those already in effect in other states is in progress this week before the state corporation commission. The schedules, filed by the Towner Rating Bureau for temporary application pending inquiry by the commission as to whether they should be finally approved, provide for increases ranging from 10 to 300 percent. Representatives of the Virginia Bankers Association appeared in opposition.

### Company Officials Present

M. W. Lewis, assistant manager of the Towner Bureau, Joel Rathbone, vice chairman National Surety, and Hale Anderson, vice president Fidelity & Casualty, told the commission that the former rates were wholly inadequate to meet the situation confronting the companies. It was testified that the loss ratio on bankers depository bonds from 1926 to 1932 averaged 105 percent. Mr. Rathbone, while on the stand was requested by O. W. Shewmake, attorney for the bankers association, to furnish the individual experience of his company for the past ten years on the several lines. He promised to do so, saying that he would probably have the information ready in about two weeks.

It was testified that companies had an average loss ratio of 400 percent on public official bonds in Virginia in the period between 1926 and 1932. They are seeking an increase of 100 percent on this class. The commission reserved its decision as to public official and depository bond rates after hearing evidence. The hearing will be resumed March 13 to get a report from committees of the companies and the Virginia Bankers Association which will endeavor to reach a compromise in the meantime on fidelity bond rates.

### Annual Statement Figures for National Surety Given

The annual report of the National Surety shows assets \$47,597,783, including cash \$1,089,293; cash due from closed banks \$1,090,323; premiums in course of collection \$2,579,489; reinsurance on paid claims and other accounts receivable \$1,004,960; funds advanced to Greyling Realty Corporation (wholly owned subsidiary) secured by real estate and first mortgages on improved city property \$10,119,443; bonds and stocks \$28,312,754 and real estate and mortgages \$3,153,175.

Funds borrowed amount to \$11,626,449; claim reserve \$6,640,376, reserve for future claims \$927,305, premium reserve \$8,732,622, capital \$3,000,000, net surplus \$6,000,000 and contingency reserve \$9,603,964.

### European General Figures

The European General new figures show assets \$15,237,450 of which \$1,543,865 are government bonds, \$3,063,116 railroad bonds, \$4,671,344 public utility bonds, \$2,025,618 public utility stocks, \$1,293,052 mortgages. Its liability and compensation loss reserve is \$3,184,868, other loss reserves \$2,856,268, premium reserve \$3,131,553, contingency reserve \$2,166,825, special reserve \$520,031, deposit capital \$850,000, net surplus \$1,650,000. The company does casualty, surety and fidelity reinsurance. As will be seen, it puts up very large reserves.

## Hospital Service Plan Is Held Insurance Contract

BALTIMORE, March 1.—Holding that a plan whereby hospital service would be furnished in consideration of an annual payment of \$10 per year "constitutes a contract of insurance" and as such comes under the authority of the insurance commissioner, Assistant Attorney-general Henderson advised Commissioner Walsh that such a plan must first be approved by his department.

"However desirable this plan may be from the public point of view," the opinion said, "I can not escape the conclusion that it is in substance a group insurance plan, and that the certificate in question is a contract of insurance within the meaning of the Maryland statutes. Indeed, the plan is described in the bulletin of the American Hospital Association as a system of utilizing the insurance principle on a voluntary basis, to bridge the gap between the cost of service and what the individual patient can pay out of his private reserves."

"The mere fact that the contract calls for the rendition of services, rather than the payment of money, is not determining. In this connection it may be noted that the attorney general of this state has held contracts covering such services as automobile repairs and funeral benefits to be contracts of insurance."

"The criterion in such cases is whether the membership dues constitute a fund sufficiently large to cover a substantial part of the cost of the benefits to accrue upon the happening of the specified contingencies. I understand that such is the case in the plan proposed."

### List Coverage Required on San Francisco Bay Bridge

SAN FRANCISCO, March 1.—Performance bonds for 50 percent of the contract price and labor and material bonds for 25 percent of the contract are required of all successful bidders on the \$75,000,000 San Francisco-Oakland bay bridge according to announcement made by the California toll bridge authorities, but in all except one case it is provided that none of these bonds shall be in excess of \$2,500,000 for performance or \$1,250,000 for labor and material. The exception is on the \$16,344,275 contracts covering superstructure, cables and attachments, on which the bonds shall not exceed \$4,000,000 for performance and \$2,000,000 for labor and material.

### What Contractor Must Carry

In addition, insurance required to be carried by the contractor at his own expense is as follows: Employers liability as provided by law; public liability not less than \$100,000/\$1,000,000 limits; contractor's contingent liability if subcontractors are employed; owners' contingent liability to protect the department and engineer in not less than \$100,000/\$200,000 limits; fire insurance, payable to the state, to cover all property belonging to or in possession of the state and placed at the contractor's disposal and also all materials accepted but not placed in the work which have been included in estimates and which have been or are to be taken over by the state. It is also suggested that while not required by the terms of the contract, "contractors should give careful consideration to property damage insurance, which may be required of the successful bidder on certain contracts."

The San Francisco-Oakland bay bridge committee, composed of representatives of the San Francisco Insurance Brokers Exchange, East Bay Insurance Exchange and California Association of Insurance Agents, is endeavoring to have the bonds and insurance on this bridge placed through a non-profit organization composed of representatives from these three producers' groups.

## NEWS OF THE COMPANIES

(CONTINUED FROM PAGE 26)

**414; liab. res., \$396,104; comp. res., \$36,-200; capital, \$354,688; surplus, \$230,733; dec. in surplus, \$25,308; contingency res., \$30,000.** Experience:

Prems.	Paid Net	Losses
Auto liability	\$ 802,214	\$ 300,575
Other liability	15,781	5,642
Workmen's comp.	61,916	39,734
Plate glass	3,257	1,268
Auto prop. damage	210,139	72,228
Auto collision	5,313	4,353
Other P. D. and Coll.	1,049	203
Total	\$1,099,671	\$ 424,006

**Factory Mut. Linb. R. I.**—Assets, \$6,973,137; inc. in assets, \$521,165; unearned prem., \$541,680; loss res., \$92,216; liab. res., \$1,797,276; guar. fund, \$250,000; surplus, \$3,417,251; secur. fluc. res., \$500,000. Experience:

Prems.	Paid	Losses
Auto liability	\$ 1,766,629	\$ 376,720
Auto prop. damage	486,522	102,259
Auto collision	130,836	31,610
Total	\$2,383,989	\$ 510,590

**International Fidelity, N. J.**—Assets, \$1,706,668; inc. in assets, \$91,139; unearned prem., \$53,484; capital, \$300,000; surplus, \$1,313,119; inc. in surplus, \$112,-806. Experience:

Prems.	Paid	Losses
Fidelity	\$ 97,366	\$ 62,878
Surety	10,635	4,730
Total	\$ 108,002	\$ 67,608

**National Grange Mut., N. H.**—Assets, \$517,485; inc. in assets, \$87,752; unearned prem., \$64,892; loss res., \$13,875; liab. res., \$122,165; guaranty fund surplus, \$200,000; additional surplus, \$64,319; dec. in surplus, \$6,797; secur. fluc. res., \$32,-214. Experience:

Prems.	Paid	Losses
Auto liability	\$ 211,984	\$ 67,553
Auto prop. damage	86,892	16,397
Auto collision	1,054	614
Total	\$ 299,930	\$ 84,564

**Seaboard Surety, N. Y.**—Assets, \$2,240,-602; inc. in assets, \$101,847; unearned prem., \$524,605; loss res., \$34,357; capital, \$1,000,000; surplus, \$509,631; dec. in surplus, \$158,536. Experience:

Prems.	Paid	Losses
Fidelity	\$ 34,603	\$ 5,288
Surety	469,083	122,530
Total	\$ 503,687	\$ 127,819

**National Accident Soc., N. Y.**—Assets, \$85,314; dec. in assets, \$12,903; unearned prem., \$30,148; loss res., \$9,528; surplus, \$28,176; dec. in surplus, \$12,423. Experience:

Prems.	Paid	Losses
Accident and health	\$ 169,919	\$ 51,268
Total	\$ 3,325,522	\$ 1,557,193

**Sun Indemnity, N. Y.**—Assets, \$5,392,-578; inc. in assets, \$293,795; unearned prem., \$1,624,403; loss res., \$253,355; liab. res., \$863,090; comp. res., \$200,151; capital, \$1,000,000; surplus, \$698,901; dec. in surplus, \$52,468; secur. fluc. res., \$400,000. Experience:

Prems.	Paid	Losses
Accident	\$ 75,904	\$ 38,615
Health	31,854	16,353
Auto liability	1,698,437	731,757
Other liability	248,898	49,788
Workmen's comp.	415,321	245,476
Fidelity	48,268	22,706
Surety	91,837	131,120
Plate glass	60,944	28,781
Burglary and theft	123,374	46,968
Auto prop. damage	490,156	176,113
Auto collision	36,612	18,792
Other P. D. and Coll.	3,916	726
Total	\$ 3,325,522	\$ 1,557,193

**R. I. Mut. Linb.**—Assets, \$41,601\*; unearned prem., \$29,932; loss res., \$584; liab. res., \$2,075; surplus, \$9,011. Experience:

Prems.	Paid	Losses
Auto liability	\$ 42,744	\$ 11,258
Auto prop. damage	16,204	3,266
Auto collision	148	.....
Fire and theft	2,891	1,607
Total	\$ 62,020	\$ 16,131

\*\$92,500 in securities withdrawn.

**Butchers Mut. Cas., N. Y.**—Assets, \$401,952; inc. in assets, \$80,927; unearned prem., \$84,988; liab. res., \$7,801; comp.

res., \$129,988; surplus, \$158,542; dec. in surplus, \$9,607; secur. fluc. res., \$1,820. Experience:

Prems.	Paid	Losses
Other liability	\$ 13,337	\$ 1,211
Workmens comp.	230,479	79,948
Plate glass	14,467	5,698
Total	\$ 258,282	\$ 86,857

**General Indemnity Ex., Mo.**—Assets, \$219,718; dec. in assets, \$9,521; unearned prem., \$42,862; loss res., \$1,028; liab. res., \$35,215; comp. res., \$1,259; surplus, \$134,-030; inc. in surplus, \$2,310; secur. fluc. res., \$46,750. Experience:

Prems.	Paid	Losses
Auto liability	\$ 55,061	\$ 25,834
Other liability	3,489	1,548
Workmen's comp.	9,412	4,114
Auto prop. damage	13,553	4,826
Auto collision	6,458	698
Auto fire, theft & windstorm	6,174	1,561
Total	\$ 94,147	\$ 38,581

\*Reinsurance not deducted.

**Farmers Union Mut. Auto., Ia.**—Assets, \$114,453; inc. in assets, \$3,945; unearned prem., \$44,253; loss res., \$1,280; liab. res., \$4,643; surplus, \$16,557; inc. in surplus, \$6,716. Experience:

Prems.	Paid	Losses
Fidelity	\$ 97,366	\$ 62,878
Surety	10,635	4,730
Total	\$ 108,002	\$ 67,608

**Gibraltar Cas. Assoc., Calif.**—Assets, \$177,091; dec. in assets, \$77,929; unearned prem., \$50,219; loss res., \$2,459; liab. res., \$15,050; surplus, \$105,736; dec. in surplus, \$7,274. Experience:

Prems.	Paid	Losses
Auto liability	\$ 50,415	\$ 54,766
Auto P. D. & coll.	51,183	22,436
All other	15,653	9,337
Total	\$ 117,251	\$ 86,539

**Illinois Casualty**—Assets, \$570,927; unearned prem., \$152,329; loss res., \$15,302; liab. res., \$98,224; capital, \$200,000; surplus, \$71,247; inc. in surplus, \$7,602. Experience:

Prems.	Paid	Losses
Auto liability	\$ 201,566	\$ 85,984
Fire	29,538	11,035
Wind	3,812	817
Burglary and theft	36,310	14,860
Auto prop. damage	91,272	34,130
Auto collision	72,284	35,989
Total	\$ 434,725	\$ 182,797

**International Travelers, Tex.**—Assets, \$224,398; dec. in assets, \$1,993; unearned prem., \$14,804; loss res., \$39,549; capital, \$100,000; surplus, \$16,882; dec. in surplus, \$8,753. Experience:

Prems.	Paid	Losses
Acci. and health	\$ 198,618	\$ 158,548
Total	\$ 688,185	\$ 260,954

**Jamestown Mut., N. Y.**—Assets, \$821,-522; inc. in assets, \$44,418; unearned prem., \$125,048; loss res., \$14,083; liab. res., \$131,697; comp. res., \$170,549; surplus, \$337,923; inc. in surplus, \$85,540. Experience:

Prems.	Paid	Losses
Auto liability	\$ 171,107	\$ 33,399
Other liability	5,773	.....
Workmen's comp.	165,566	106,501
Plates glass	62,090	15,773
Burglary and theft	4,921	4,046
Auto prop. damage	173	4
Auto collision	214	99
Total	\$ 409,630	\$ 159,723

**Mfrs. & Wholesalers Indem. Ex., Colo.**—Assets, \$254,610; inc. in assets, \$4,824; unearned prem., \$66,309; loss res., \$316; liab. res., \$10,300; surplus, \$174,010; inc. in surplus, \$8,207. Experience:

Prems.	Paid	Losses
Auto liability	\$ 106,919	\$ 34,894
Auto prop. damage	41,007	11,061
Auto collision	11,304	2,750
Auto fire	11,023	1,870
Auto theft	8,202	4,305
Burglary and theft	.....	707
Tornado	214	99
Total	\$ 178,672	\$ 55,689

**Michigan Surety**—Assets, \$627,838; dec.

in assets, \$98,066; unearned prem., \$35,182; loss res., \$129,116; capital, \$297,-091; surplus, \$133,024; dec. in surplus, \$68,292. Experience:

Prems.	Paid	Losses


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March 2, 1933

## CHANGES IN CASUALTY FIELD

### Corell Is Indiana Supervisor

**Transferred From Minneapolis by Ocean Accident-Columbia Casualty Following Pangborn Retirement**

Floyd W. Corell, who has been assistant resident manager of the Ocean Accident and Columbia Casualty at the Minneapolis office for the past eight years, has been appointed regional supervisor of both companies for Indiana, following the retirement of George W. Pangborn as general agent for the state. The companies' headquarters for Indiana in the Fletcher Trust building, Indianapolis, have been rearranged and modernized to facilitate the operation of the service departments including claim, engineering and payroll audit.

Mr. Corell has already assumed the duties of his new office. E. J. Fulton, for the past 11 years the underwriter in Mr. Pangborn's office, will continue as underwriter associated with Mr. Corell.

C. W. G. Bailey, assistant manager of the agency department in the New York office, has been in charge of the reorganization of the Indiana branch office.

### Opens Adjusting Office

C. W. Pipkin has opened an insurance adjusting office at 412 West Sixth street, Los Angeles. He recently resigned as vice-president and manager of Hills Reports, Inc., in Chicago. He was also vice-president and manager of the National Service & Appraisal Co. The Hills Reports of Chicago and the Guardian Mercantile Corporation of New York City are subsidiaries of the National. Mr. Pipkin occupied the same

### Bankers Indemnity Makes Morrissey Vice-president



GEORGE E. MORRISSEY

George E. Morrissey, formerly assistant secretary of the Bankers Indemnity, has been elected a vice-president.

In 1927, H. P. Jackson, then president of the Norwich Union Indemnity, appointed Mr. Morrissey superintendent of agents of that company. He had no insurance background but had a wide experience in general business and banking and speedily made good in his new field. When Mr. Jackson left the Norwich Union in 1930 to become president of the Bankers Indemnity, he took Mr. Morrissey with him to serve in a similar capacity, but with the title of assistant secretary.

In addition to the sales and executive ability which he possessed when he entered the business, Mr. Morrissey is now unusually well-versed in underwriting principles and practices.

position with all these companies. Prior to that time he was manager of the American Service Bureau in Chicago. Previously he was in the adjustment and investigation business in Omaha.

### Advance Bulloch, Dr. Gray

C. E. Bulloch has been appointed field supervisor in the casualty claim division of the Aetna Life and Dr. R. N. Gray, surgical director. Mr. Bulloch went with the Aetna company as adjuster at Syracuse in 1910, in 1916 was placed in charge of the claim department in St. Louis and in 1925 transferred to the home office disability claim department. Dr. Gray practiced in Oakland, then became instructor at the Oakland College of Medicine. He joined the Aetna companies in 1924 as surgical adviser at San Francisco and in 1920 was transferred to the home office in charge of industrial, medical and surgical service.

### Hogle Opens Agency

J. M. Hogle, who was connected with the Union Indemnity for five years as

manager and associate manager in Chicago, has opened a general agency for the Columbia Casualty and other companies in 555 Insurance Exchange. He has a wide acquaintance among brokers and is giving special service. Before his connection with the Union Indemnity, Mr. Hogle was resident manager in Chicago for two years for the American Employers and before that for 12 years was connected with the Ocean Accident in Chicago.

### Seay & Hall Appointed

The Seay & Hall agency of Dallas has been appointed general agent for the Standard Surety & Casualty. D. D. McCain, who has been with the agency since 1892, is manager of the casualty department.

### Ohio Service Bill Passed

The Ohio general assembly has passed a bill which makes the secretary of state agent for all non-resident motorists traveling in Ohio, in order that service may be made upon him in the event of accidents. The house also has passed a guest liability bill.

The Standard Surety & Casualty of New York has appointed Eugene Washington & Co., Oklahoma City, its general agents. The agency writes over \$400,000 in premiums annually.

### Graduated Tax-Investment Law Sought in Michigan

LANSING, MICH., March 1.—A measure introduced in the Michigan legislature, which is drawing immediate fire from the companies, would place a new tax burden on life and casualty companies organized here and would require non-resident companies to invest 75 per cent of their Michigan reserves in Michigan real estate or securities along the lines of the Robertson law in Texas.

The tax imposed would be 3 percent of gross premiums collected in the state annually, whether by Michigan or non-resident companies, but would be gradually reduced to a minimum of 2 percent in proportion to an increase in the percentage of investments in Michigan securities. The reduction would be to 2.6 percent if 30 percent of the total Michigan reserves were thus invested, to 2.3 if 60 percent, and to 2 percent if 75 percent or more.

The Michigan Mutual Liability has appointed W. A. Vawter II, Benton Harbor, as western Michigan manager with offices in the Michigan Trust Building in Grand Rapids.



The Sign of Good Casualty Insurance

# "London Guarantee" Offers

## Dependability

For sixty-four years the "London GUARANTEE" has fulfilled every obligation to its agents and policyholders—whether for protection or service.

## Security

No business crisis, past or present, has affected the strong financial structure of this worldwide institution.

Established in 1869, the "London Guarantee" is one of the oldest and strongest companies in the casualty world.

London Guarantee & Accident Company, Ltd.

J. M. HAINES, U. S. Manager  
55 FIFTH AVENUE, NEW YORK, N. Y.



HOME OF "SERVICE THAT EXCELS"

## General Accident

FIRE AND LIFE  
ASSURANCE CORPORATION, Ltd.



FREDERICK RICHARDSON, United States Manager  
GENERAL BUILDING - 4<sup>TH</sup> & WALNUT STS.  
PHILADELPHIA

*With our Contract—  
you would undoubtedly  
do more Automobile business!*

## ILLINOIS CASUALTY COMPANY

*Springfield*

ILLINOIS, INDIANA, IOWA,  
MICHIGAN, MISSOURI

For Open Territory—*A-1 Agents*  
WRITE  
**P. W. PICKERING**  
Secretary

## New Compensation Rules Enforced

(CONTINUED FROM PAGE 25)

has been made or that may be expected to be made on their business as a whole. The total volume of compensation of the Globe Indemnity must be reduced, he declared, "but we will endeavor to serve the needs of those whose business justifies such consideration."

Mr. Reid said that the Globe Indemnity is analyzing results and conditions of each state and that these facts, together with its agency experience figures, will permit the company to deal intelligently and fairly with the problem.

### Greatest Present Problem

Compensation is the greatest present problem of the Globe Indemnity, he said. The companies have been generally unsuccessful in obtaining approval of rate increases. Even before the depression the companies were sustaining a loss in compensation. During the depression, lower wage levels and part time employment have reduced premiums despite higher rates. Losses and expenses have been greatly increased because compensation statutes provide minimum amounts for disability payments, regardless of wages paid. Injured employees, often aided by sympathetic employers and others, have prolonged disability period beyond normal averages. Industrial boards have been generous in reopening cases and granting increased benefits. Doctors and lawyers have obtained benefits in excess of those normally expected. "The experience upon which present rates are based," he said, "cannot yet reflect these recent developments, nor can the increased cost be accurately measured for at least another year."

The Globe Indemnity last year, he said, suffered the greatest loss in its history from this class, being nearly \$1,000,000, or an underwriting loss of 20 cents for every dollar of compensation earned premiums.

### Auto Liability Satisfactory

As to automobile liability, the 1932 results, he predicted, will show a decided improvement over that of the several preceding years. The experience for the year has not yet developed sufficiently to give a true picture, however. He stated that, with very few exceptions, there will be no necessity for any automobile rate adjustment during 1933.

Fidelity and surety caused a loss in 1932, economic conditions having been responsible for increased losses under all kinds of fidelity and miscellaneous bonds.

Mr. Reid said competitive conditions under which contractors are endeavoring to secure contracts for public works make it imperative for surety companies to require the highest degree of care and conservatism in underwriting. Many contractors may find themselves pinched if there should be a rising market on materials and labor.

### A. & H. Rates Inadequate

Although accident and health rates were increased during the year, they have not been adequate to care for unusual losses. There have been a number of death losses because of carbon monoxide poisoning, with indications of suicide. Careful selection of risks is all important.

Burglary and plate glass were satisfactory, but production was somewhat disappointing. There never was a time, he said, when burglary insurance was more necessary. A real opportunity exists for the agent who is intelligent enough to grasp it.

The Globe Indemnity received about \$100,000 in steam boiler and machinery premiums, which Mr. Reid said is gratifying. He urged the aggressive solicitation of this business.

Mr. Reid said that the over due premiums as of Dec. 31 were the smallest in several years. He declared there is

too great a tendency on the part of buyers to look at price rather than quality of protection and too many agents are willing to sell cheap insurance.

The contingency reserve, which was set up by the Globe Indemnity, represents the actual difference between actual market values and convention valuation, he said.

## Riot, Explosion Sales Increase

(CONTINUED FROM PAGE 3)

point just as forcefully as if he attempted to make predictions.

Agents, who have had experience in selling this form of coverage, find that if they can get the assured asking questions about the insurance, whether it covers this or that sort of occurrence, the assured will soon sell himself on the fact that such insurance is a good investment.

### Kinds of Risks Buying

As proof of the fact that riot and explosion insurance is being sold and can be sold, here is a partial list of the classes of risks that cleared through a departmental office of a fire company in one week: Court house, dairy, newspaper publishing plant, hotel and mercantile building, public school, dry cleaners, brick company, funeral parlor, coal mining operations, department store, printers, apartment house building, tobacco warehouse and manufacturing plant, marble work of war memorial, cloaks and suits, mortgagee's interest for bank, storage warehouse for food stuffs, bank building, lead refining and smelting, wholesale heavy hardware, wrecking and lumber company, auto garage and service station, greenhouses, foundry and machine shops, builders' supply and equipment road material, laundry.

Utilities are very good buyers of riot and explosion insurance and most of them buy such coverage on a three year basis.

### Written Rather Freely

The companies that are pushing riot and explosion insurance, write it rather freely. For instance, some of them will write insurance on properties in the midst of a strike at treble rates. It has happened that some operators who have been solicited for riot and civil commotion coverage when things were quiet, have wired for such insurance when the strike occurred and paid treble rates.

Some companies are perfectly willing to write riot and civil commotion insurance in the heart of the black belt of the larger cities, but will not write on the fringe of such areas, where the black and tan problem exists.

Some agents have had success in selling riot insurance to householders, by emphasizing the cheapness of the protection, measured in daily cost. For instance, the cost might not be more than a penny a day. Such insurance is usually easily sold to cover dwellings in any area where there is an unemployment problem. The fact that fire insurance is void if caused by a riot should be brought out. Some years ago, during a steel mill strike in Youngstown, O., the rioters set fire to much property and the courts have held in all the cases that the fire insurance policies were void. Of course, simple explosion insurance would not have covered in those cases, either. Therefore, the only protection would have been under riot and civil commotion policies.

Although, having no direct bearing, the attempted assassination of Franklin Roosevelt creates a background for this sort of insurance. The agent need not generalize about this occurrence, feeling that it represents a spirit of lawlessness that may break out in other form. The psychology of the public is such that people are in a mood to sell themselves on riot and civil commotion insurance, if the suggestion is made to them.

## Greater Morbidity May Be Expected

(CONTINUED FROM PAGE 25)

fail to locate marks of identification, such as post-operative abdominal scars. The location is important to the underwriter, for it shows whether the applicant has been operated on for appendicitis, which would cause him to be considered a good risk, or for duodenal or gastric ulcer, which would make him a poor risk for health insurance because of the chance of recurrence.

### Many Claims Avoidable

Laxity in examining for hemorrhoids and similar disorders frequently results in claims which might otherwise have been avoided. Examination of the legs is most important because varicose veins, whether large or small, are likely to involve conditions requiring long periods of disablement. Phlebitis, lymphangitis, varicose dermatitis and varicose ulcers may result from minor injuries.

He urged use of blood sugar tests to distinguish between cases of harmless, transient glycosuria and true diabetes. The former are perfectly good risks for accident and health or life insurance. If tests show diabetic conditions but no indication of metabolic disturbance results, age and habits of applicant must then be taken into consideration. However, a constant excess of sugar in the blood or urine enhances the danger of secondary infections.

### Takes Up Heart Conditions

Dr. Altman called attention to several conditions that are often misinterpreted as heart conditions. For example, neurocirculatory asthenia, which may give all the symptoms of organic heart disease and yet is a vasomotor instability which occurs in highly strung, nervous individuals, does not make its victims bad risks for accident insurance if their mode of living, surroundings, and working and social environment are favorable.

Another condition is paroxysmal tachycardia, which causes palpitation of the heart, labored breathing, occasional nausea, and an ashy-gray appearance, but has never been known to cause anyone's death or make anyone unfit for accident insurance. Again, if a man has a slight hypertrophy of the heart due to a very slight murmur and the heart is compensating fully for the condition, Dr. Altman would rate him as a possible risk for purely accident insurance, if investigation of his environment proved favorable.

Coronary disease, generally due to a closure or thrombosis of one or more of the vessels supplying blood to the heart muscles, makes its victims very poor risks for any kind of insurance, Dr. Altman stated, as there is no telling when another attack will occur.

### Compensation Situation Is Reviewed by Roeber

(CONTINUED FROM PAGE 25)

Opinions I am inclined to the opinion that disastrous results can be avoided only by eternal vigilance and the most careful attention to underwriting and that any provision in the compensation rates for occupational disease is quite likely to prove inadequate to pay the occupational disease claims which develop. This is particularly true in the case of states where occupational disease has never been under the compensation act, but where legislation is now being considered to bring occupational disease under the act. I would expect that immediately upon the passage of such legislation there would arise a flood of latent cases which, until the passage of the act, had never passed beyond the incubation stage.

"Another development which is causing concern to the carriers is the in-

## CASUALTY PERSONALS

**John W. Callahan**, casualty manager of the Travelers Detroit branch office, is expected back at his desk in about two weeks after having spent several weeks in the hospital.

**W. Irving Moss** of New Orleans has resigned as chairman of the board of the Standard Fruit & Steamship Company. In a statement he says: "As president of the Union Indemnity Company, which was placed in the hands of a receiver Jan. 6, I have been subjected

to unfriendly criticism which might reflect itself upon the Standard Fruit. Therefore I believe my resignation is timely to avoid possible adverse effect on the Standard."

creasing loss ratios in certain industries due to the 'mechanization of industry.' The substitution of machinery for men increases the hazard and reduces the payroll upon which premium is computed. The introduction of new types of machinery and labor-saving devices is a process which is continually going forward. The statistics reported for rate making purposes, due to the 'lag' in the filing of experience cannot keep pace with current conditions caused by the ever increasing substitution of machines for men."

**A. H. Stofft** of the Ocean Accident's agency department is in New Orleans, after a trip to San Antonio and Houston. The Columbia Casualty, which is affiliated with the Ocean Accident, was represented in the San Antonio agency of Hornberger, Beckman & Co., which has just been taken over by Cravens, Dargan & Co. The Columbia Casualty will be represented in the San Antonio branch of Cravens, Dargan & Co. Mr. Stofft plans to return to New York from New Orleans by water over the week end.

**Robert A. Leitz**, president of the Benefit Association of Railway Employees, one of the big premium companies in the accident and health field, died Thursday night at Miami, Fla. Funeral services were held in Chicago Monday. Mr. Leitz, who was about 60 years old, had

been at the head of the organization ever since it was formed in 1922.

**S. C. Carroll** of the Mutual Benefit Health & Accident, Omaha, addressed the state convention of Nebraska cleaners and dyers last week on "Shirt Tails," asserting that shirt tails are a badge of civilization and it is only in countries where the male population tucks the shirt tail inside trousers that it is possible to sell insurance and dry cleaning.

The insurance fraternity of Baltimore will be well represented on the Maryland committee for the inaugural of Franklin D. Roosevelt in Washington next Saturday. Heading the list of insurance men will be Mayor Howard W. Jackson, George L. Radcliffe, vice-president Fidelity & Deposit, and Commissioner W. C. Walsh.

Other insurance men on the committee are C. B. Alexander, David Stiebel, G. C. Daily, C. R. Whiteford and Harrison Rider, former commissioner.

**R. H. Brusoe**, of Newark, superintendent of accident and health claims of the Commercial and Metropolitan Casualty, is receiving congratulations on the arrival of a seven-pound baby girl.

## BANKERS INDEMNITY INSURANCE COMPANY

NEWARK, NEW JERSEY

\*  
One of the American Group  
\*

### FINANCIAL STATEMENT DECEMBER 31, 1932

As filed with Insurance Department of The State of New York

#### ADMITTED ASSETS

Bonds and Stocks*	\$3,848,964.97
First Mortgages on Real Estate	352,825.00
Real Estate	13,000.00
Cash in Banks and Office	246,130.14
Premiums Outstanding (not over 3 mos.)	1,152,610.30
Interest Accrued	42,207.65
Other Admitted Assets	7,052.49
	\$5,662,790.55

#### LIABILITIES

Premium Reserve	\$1,773,086.00
Claim Reserve	1,675,706.00
Commissions to become due	244,820.27
Taxes and Expenses Payable	93,564.02
Contingent Reserve	75,614.26
Capital	1,100,000.00
Surplus	700,000.00
	\$5,662,790.55

\*Calculated on basis approved by The Insurance Department of The State of New York

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## WORKMEN'S COMPENSATION

### Attacks New Wisconsin Law

#### Granite Company Questions Constitutionality of Compulsory Requirement Adopted in 1931

MADISON, WIS., March 1.—The Monticello Granite Co. has attacked the constitutionality of the compulsory feature of the Wisconsin workmen's compensation law in circuit court here, since an employee has secured from the industrial commission an award for occupational disease.

An amendment to the law placing all Wisconsin employers with three or more employees under the jurisdiction of the industrial commission was adopted by the 1931 legislature. Previous to that time, employers could elect to stay outside of the provisions of the law. The company claims it could not be compelled to come under the compulsory provisions in this case because the disease must have been contracted before passage of the compulsory feature, and that the law is unconstitutional because it denies the right of trial by jury. Industrial commission decisions are appealed to circuit court, where they are reviewed by the judge without the aid of a jury.

#### Alabama O.K.'s Disease Program

MONTGOMERY, ALA., March 1.—The Alabama department has approved the new occupational disease program filed by the National Council on Compensation Insurance. The department was unwilling at first to approve the program because it was thought that the 1-cent loading to cover the general run of occupational diseases would be applied to all manual classifications, regardless of the manner in which the policy was endorsed, but W. F. Roebel, general manager of the council, explained that the 1-cent loading would not be applied when the policy contract is endorsed excluding occupational disease coverage.

#### Nebraska Medical Costs Increase

LINCOLN, NEB., March 1.—The biennial report of the state compensation commissioner to the governor says that while total payments made by casualty companies during the two years have decreased, the doctors and hospitals are getting an increasing percentage of that total. Medical expense, which includes

also surgical work, averaged \$16.53 per injured man during 1932 as compared with \$15.17 in 1931. Medical and hospital costs for the injured employees for 1931 lacked only \$30,804 of equaling all the compensation payments made to 18,498 injured persons. Supreme court appeals by employers have been unusually large in number, and form a costly practice.

#### Insurer Must Pay Costs

The Massachusetts supreme judicial court has upheld the constitutionality of the law requiring an insurer appealing a compensation case to the reviewing board to pay the cost, including reasonable counsel fees, of the employee if the decision was against the insurer. The court admitted that the law is unequal in its operation inasmuch as the insurer must pay the employee's cost if the latter is successful while the employee pays

no cost if the insurer is successful, but the court held the classification is valid and does not contravene the principle as to equality before the law. The liability to pay cost was held to be one of the obligations voluntarily assumed by the insurer.

#### New Missouri Board Chairman

Edgar C. Nelson, Boonville, Mo., has been appointed chairman of Missouri's workmen's compensation commission by Governor Park. He has long been active in Democratic politics and formerly was editor of the Boonville "Advertiser."

#### Reciprocal Cover O. K.

PIERRE, S. D., March 1.—Attorney General Conway holds that a county may take out workmen's compensation insurance in a reciprocal or inter-insurance exchange authorized in this state for that purpose, although it has been held that as a general rule counties may not take out insurance in mutuals for any other form of protection.

## ACCIDENT AND HEALTH FIELD

### Small Claims Eat Up Profit

#### Term Policy Issued to Supplement Life Disability Clause Has Not Been Successful

Some of the companies writing accident and health insurance got out special policies after the life companies revised their total and permanent disability clause so that an assured could supplement his life policy with disability payments starting immediately. After the Toronto convention of the National Convention of Insurance Commissioners, the life companies extended the disability waiting period from 90 to 120 days, with the proviso that if the disability lasted 120 days, payments would be retroactive. However, many policyholders desired to have coverage during the four months when their total and permanent disability provision in their life policies would not apply. Some companies went after this four-month term business rather extensively especially using life salesmen to get the business. It was found, however, that no very attractive premium could be offered because the company writing the disability had to pay all the small claims which after all are the most burdensome. The only relief it got was to know that it had no liability after the four months. The small claims, however, involve much expense and in the aggregate much money has to be used in liquidating them.

#### Drop South Carolina Business

Largely as a result of the situation created by the rulings of the South Carolina courts allowing punitive damages for delay in payment of claims, a number of accident and health companies are virtually withdrawing from that state. One of the large companies, which has made no effort to secure renewals on business in that state the past year and has gradually worked the number of its

agents there from 30 down to six, has now sent out notices to these six advising them that it will not seek renewal of licenses for them at the end of the license year, April 1, and suggesting that they transfer their business to other companies if possible before that time.

#### Monarch Life Changes

F. W. McIntosh, who for several years has been general agent of the Monarch Life in Chicago, will relinquish that post March 15 to take charge of a new mid-western claim office which will be established by the company on the ninth floor at One North La Salle street, Chicago, supervising claim work in Illinois, Indiana, Michigan, Minnesota, Iowa, the Dakotas, Nebraska and Kansas.

He will be succeeded as general agent in Chicago by Cliff Coleman, now general agent in Indianapolis and formerly in charge of the company's Los Angeles office. Lou M. Thompson is transferred from Des Moines to Indianapolis. He is a former resident of Indiana and is now getting back to his old home state after having traveled far afield. He was for a number of years general agent for the Monarch Life in Canada, with headquarters in Toronto.

#### Union National Sales Banquet

The Union National Insurance Company of Minneapolis held its annual sales banquet recently in that city. Speakers were W. B. Tscharner, president of the Lincoln National Bank of that city; Mason W. Spicer, a prominent attorney, and Einer Haidale, congressman for Minnesota. Officers of the company who also spoke were R. A. Friedrichs, president; A. J. Syse, vice-president, and W. F. Olson, secretary-treasurer. The meeting was broadcast over one of the local radio stations.

#### J. G. Ferguson Advanced

J. G. Ferguson, vice-president of the Continental Life of St. Louis and manager of its accident and health department, has been advanced to agency director. He has held his present position for six years. For two years prior to that he was general agent in Arkansas.

#### Will Meet in June

The National Association of Accident & Health Managers will hold its annual meeting in Pittsburgh some time in June, although the exact date has not been decided as yet. C. G. Schillstrom, Pittsburgh manager for the Washington National, is in charge of the arrangements there.

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